

**Please note: These transcripts are not individually reviewed and approved for accuracy.**

BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD MARKET  
DEVELOPMENT COMMITTEE

IN THE MATTER OF THE:                    )  
  )  
MARKET DEVELOPMENT                    )  
COMMITTEE MEETING                    )  
\_\_\_\_\_ )  
  —

DATE AND TIME:           THURSDAY, NOVEMBER 7, 1996  
  9:30 A.M.

PLACE:                   BOARD HEARING ROOM  
  8800 CAL CENTER DRIVE SACRAMENTO,  
  CALIFORNIA

REPORTER:               BETH C. DRAIN, RPR, CSR  
  CERTIFICATE NO. 7152

BRS FILE NO.:           36009

APPEARANCES MR. PAUL RELIS, CHAIRMAN  
MR. WESLEY CHESBRO, MEMBER  
MR. DANIEL G. PENNINGTON, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER MS.  
DEBORAH BORZELLERI, LEGAL COUNSEL

MS. DONNELL DUCLO, COMMITTEE SECRETARY

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21        HAVING COFFEE AND RAN INTO SOME COMPOSTERS:  
EVAN  
22        EDGAR, WILL BACH, AND CHARLES EGIGIAN NICHOLS,  
AND  
23        WE DISCUSSED A WIDE RANGE OF COMPOST-RELATED  
24        MATTERS, INCLUDING THE STANDARDS OR THE  
GUIDELINES  
25        THAT ARE BEING DISCUSSED THIS AFTERNOON.

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1                   MEMBER PENNINGTON:   INTERESTING

2       CONVERSATION TO HAVE OVER A BAGEL.

3                   CHAIRMAN RELIS:    I HAVE A FASCINATING

4       WORLD.

5                   MEMBER PENNINGTON:   WELL, I SPOKE WITH

6       MR. LIVINGSTON YESTERDAY AS WELL.   I THINK I

7       FILLED OUT A FORM, BUT WE TALKED ABOUT IRONCLAD,

8       AND THAT'S THE ONLY EX PARTES I HAVE.

9                   CHAIRMAN RELIS:    OKAY.   I'LL NOW ASK

MS.

10       TRGOVCICH TO GIVE THE REPORT FROM THE MARKETS

11       DIVISION.

12                   MS. TRGOVCICH:   GOOD MORNING, MR.

13       CHAIRMAN AND MEMBERS.   I'M CAREN TRGOVCICH,

DEPUTY

14       DIRECTOR OF THE WASTE PREVENTION AND MARKET

15       DEVELOPMENT DIVISION.   I HAVE A NUMBER OF ITEMS

16       JUST TO HIGHLIGHT FOR YOU THIS MORNING.   THE

FIRST

17       ONE I'D LIKE TO HIGHLIGHT IS SOME RECENT

ADVANCES

18       AND DISCUSSIONS THAT WE'VE HAD WITH CALTRANS

19       SPECIFICALLY AROUND SHINGLES AND AGGREGATE BASE.

20                   WE HAVE HAD SOME VERY PRODUCTIVE

21 DISCUSSIONS WITH THEM, WHERE THEIR PAVEMENT  
DESIGN

22 AND REHABILITATION COMMITTEE HAS ACTUALLY  
APPROVED

23 GOING FORWARD AND EXPLORING THE TESTING OF  
ASPHALT

24 SHINGLES AND AGGREGATE BASE AND DEVELOPMENT OF

25 SPECIFICATIONS. THIS WAS THE RESULT OF A  
PROPOSAL



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1        THAT WE SENT FORWARD TO THE DEPARTMENT.  THE  
2        COMMITTEE REVIEWED IT -- REVIEWED IT AND LOOKED  
3        UPON IT VERY FAVORABLY AND HAS FORWARDED BACK TO  
4        THE STAFF TO DEVELOP IN CONJUNCTION WITH US, SO  
5        WE'RE LOOKING FORWARD TO THAT WORK.

6                        WE'RE ALSO PREPARING A SECOND  
7        PROPOSAL TO THE SAME COMMITTEE, THE PAVEMENT  
8        DESIGN AND REHABILITATION COMMITTEE, TO TEST  
9        ASPHALT SHINGLES AND ASPHALT PAVEMENT AND TO  
10       DEVELOP SPECIFICATIONS FOR THAT AS WELL.  WE  
11       EXPECT THAT THIS SECOND PROPOSAL WILL BE REVIEWED  
12       AT THE COMMITTEE MEETING THIS MONTH IN NOVEMBER.  
13       SO WE HOPE TO HEAR SOMETHING BACK BY THE END OF  
14       THIS MONTH OF WHETHER OR NOT THIS PROPOSAL IS  
15       BEING RECEIVED AS FAVORABLY AS THE FIRST.

16                      WE RECENTLY SUBMITTED A HALF PAGE  
17       ADVERTISEMENT FOR THE BOARD INTO THE "BLUE BOOK,"  
18       WHICH IS A NATIONALLY RECOGNIZED DIRECTORY FOR THE  
19       CONSTRUCTION INDUSTRY.  WE FEEL THAT THIS IS A  
20       SIGNIFICANT MOVE TOWARDS TRYING TO DEVELOP THESE  
21       PUBLIC/PRIVATE PARTNERSHIPS.  WE'RE LOOKING AT  
22       SOME TYPES OF SERVICES THAT WE WOULD BE PROVIDING  
23       IN EXCHANGE FOR PLACEMENT OF THE ADVERTISEMENT IN  
24       THE "BLUE BOOK" ITSELF.

25                      AND I WANTED TO SPEND A FEW MINUTES

1 TALKING ABOUT OUR SOUTHERN CALIFORNIA EROSION  
2 CONTROL DEMONSTRATION PROJECTS BECAUSE I KNOW WE  
3 HAD SOME LENGTHY DISCUSSIONS BY DR. MENGE AT LAST  
4 MONTH'S MEETING ON RELATED TOPICS.

5 WE'RE PUTTING THE FINAL TOUCHES ON  
6 THE \$35,000 INTERAGENCY AGREEMENT WITH CALTRANS TO  
7 RESEARCH AND DEMONSTRATE THE USE OF COMPOST  
8 PRODUCTS FOR EROSION CONTROL. WE EXPECT CALTRANS  
9 TO COMPLETE A SERIES OF TASKS UNDER THE  
10 SUBCONTRACT ITSELF. THE THINGS THAT THEY WILL BE  
11 LOOKING AT INCLUDE LITERATURE SEARCHES ON  
12 COMPOSTING AND CO-COMPOST. THEY WILL BE  
13 CONDUCTING RESEARCH ON EROSION CONTROL USE OF  
14 COMPOST PRODUCTS, AND THEN ESTABLISHING,  
15 MONITORING, AND EVALUATING A SPECIFIC EROSION  
16 CONTROL DEMONSTRATION SITE IN BOTH NORTHERN AND  
17 SOUTHERN CALIFORNIA WHERE COMPOST PRODUCTS ARE  
18 USED TO ESTABLISH VEGETATION ON GROSSLY DISTURBED  
19 SOILS.

20 WE EXPECT THOSE DEMONSTRATION  
21 PROJECTS TO BE COMPLETED SOMETIME IN MARCH OF  
NEXT  
22 YEAR. AND THEN THERE WILL BE QUARTERLY UPDATES  
AS

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23 WELL ON THIS PROJECT. WE'LL BE BRINGING  
24 SIGNIFICANT DEVELOPMENTS UNDER THAT PROJECT  
25 FORWARD TO THE COMMITTEE, AND THESE UPDATES WILL

1 INCLUDE INFORMATION ON PROJECT DESIGN, EROSION  
2 CONTROL DATA, FINDINGS, CONCLUSIONS, AND THEN ANY  
3 RECOMMENDATIONS ARISING OUT OF THESE  
4 DEMONSTRATIONS.

5 FOR THE AGRICULTURAL DEMONSTRATION  
6 PROJECTS, WE HAVE RECEIVED FOUR OF THE FIVE  
7 PRELIMINARY FINAL REPORTS. WE'RE WAITING FOR ONE  
8 FROM THE UC COOPERATIVE EXTENSION IN TULARE.  
9 THAT'S THE FINAL ONE TO BE RECEIVED, AND WE'RE  
10 REVIEWING THOSE NOW. THE COACHELLA VALLEY  
11 ASSOCIATION OF GOVERNMENTS HAS ALSO CONSENTED TO  
12 PARTICIPATE ON THE SOUTHERN CALIFORNIA  
13 AGRICULTURAL DEMONSTRATION THAT'S ABOUT TO BE  
14 INITIATED NOW. SO WE'RE SEEING AN EXPANSION OF  
15 THAT PARTNERSHIP.

16 MEMBER CHESBRO: WE OUGHT TO CONSIDER, IF  
17 WE HAVEN'T ALREADY, SOME SORT OF PUBLICATION OF  
18 THE RESULTS, NOT JUST IN REPORT FORM, BUT PERHAPS  
19 IN "BIOCYCLE" AND SOME OTHER TRADE PUBLICATIONS,  
20 SOME STORIES ABOUT THE RESULTS OF THE PROJECTS  
21 ONCE THEY'RE COMPLETED, I THINK.

22 MS. TRGOVCICH: THAT'S AN EXCELLENT  
23 SUGGESTION. PAT PASWATER IS ACTUALLY DOWN IN  
24 TULARE TODAY, SO I'LL DEFINITELY DISCUSS THAT WITH

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25 HIM WHEN HE RETURNS.

1                   MEMBER CHESBRO: I'M SURE IT'S NOT AN  
2 ORIGINAL IDEA. I'M SURE SOMEBODY HAS --

3                   CHAIRMAN RELIS: I THINK YOU'RE RIGHT. I  
4 THINK THIS IS --HAS BEEN ONE OF THE LARGEST  
5 COMPOST DEMONSTRATION EFFORTS IN THE COUNTRY. AND  
6 I THINK MANY OTHER STATES AND MAYBE SOME  
7 PROFESSIONAL JOURNALS AS WELL, DEPENDING ON HOW  
8 IT'S WRITTEN UP.

9                   MEMBER CHESBRO: WE CERTAIN HAVE HAD  
10 INDIVIDUAL STORIES, PIECES OF THE WHOLE THING; BUT  
11 I THINK ONES YOU HAVE THE WHOLE PICTURE. I'M  
12 GOING TO BE AT WESTERN LEGISLATIVE CONFERENCE,  
13 WESTERN RECYCLING COALITION MEETING, NEXT WEEK.  
14 AND ACTUALLY THEY HAD ASKED ME TO TALK ABOUT THIS  
15 BECAUSE SOME OF THE OTHER WESTERN STATES  
16 COMPOSTING AND IS PROBABLY ONE OF THEIR MOST  
17 SENSIBLE RECYCLING OPTIONS WHERE YOU HAVE LOWER  
18 DENSITY POPULATIONS AND SMALLER -- LESS URBAN  
19 POPULATIONS AND LESS ABILITY TO MARKET OTHER  
20 RECYCLABLES.

21                   SO I'M GOING TO BE PUSHING SOME OF  
22 THIS INFORMATION, BUT I DO THINK THAT WE OUGHT TO  
23 TRY TO DRAW SOME MORE ATTENTION TO IT.

24                   MS. TRGOVCICH: WE'LL DEFINITELY LOOK AT  
25 SEEING WHAT WE CAN PULL TOGETHER IN CONJUNCTION

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1 WITH PUBLIC AFFAIRS. MAYBE WHAT WE CAN IS DO  
2 DEVELOP A SERIES OF ARTICLES TARGETED TOWARDS THE  
3 DIFFERENT PUBLICATIONS WHICH CAN ALSO BE GROUPED  
4 TOGETHER JUST FOR GENERAL INFORMATION FOR THE  
5 BOARD'S PURPOSES.

6 ALONG THAT SAME VEIN, WE ARE IN THE  
7 PROCESS OF DEVELOPING A \$20,000 GRANT PROPOSAL TO  
8 THE DEPARTMENT OF PESTICIDE REGULATION. I BELIEVE  
9 WE MAY HAVE MENTIONED THIS AT LAST MONTH'S MEETING  
10 AS WELL. AND WHAT THIS GRANT PROPOSAL WOULD DO IS  
11 AUGMENT THE SOUTHERN CALIFORNIA DEMONSTRATION  
12 PROJECTS. THIS WOULD SPECIFICALLY LOOK AT ADDING  
13 ANOTHER ELEMENT TO THOSE DEMONSTRATION PROJECTS  
14 ITSELF.

15 THE PROPOSALS ARE DUE BY NOVEMBER  
16 27TH. WE'RE ON TARGET TO SUBMIT A PROPOSAL IN  
17 THAT TIME FRAME. DPR WILL BE MAKING AWARDS  
18 SOMETIME IN THE SPRING OF '97. WE HOPE TO BE  
19 SUCCESSFUL IN THAT EFFORT. AT THAT TIME WE WILL  
20 BE BRINGING FORWARD AN AGENDA ITEM RECOMMENDING  
21 APPROVAL OF MOVING FORWARD INTO THAT GRANT VENUE  
22 WITH DPR.

23 THE QUARTERLY MARKET REPORT IS  
BEING  
24 UPDATED NOW FOR THE THIRD QUARTER, AND WE HOPE TO  
25 SEE IT COMPLETED SOMETIME BY THE END OF THIS





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1 MONTH. I'D LIKE TO POINT OUT FOR YOU THAT WE ARE  
2 ENHANCING SECTIONS IN THE QUARTERLY MARKETS  
REPORT

3 FOR BOTH WOODWASTE AS WELL AS C & D MATERIALS.  
SO

4 I THINK YOU ARE GOING TO SEE A SIGNIFICANT  
5 DEVELOPMENT IN THAT PUBLICATION. WE WILL ALSO BE  
6 INCLUDING OUR ANNUAL EVALUATION AT THE TIME THAT  
7 THE THIRD-QUARTER MARKET REPORT GOES OUT SO THAT  
8 WE CAN GET A VERY GOOD SENSE ABOUT HOW USEFUL  
9 THOSE SECTIONS ARE AND HOW THEY COULD BE ENHANCED  
10 OR HOW OTHER AREAS OF THE QUARTERLY MARKET REPORT  
11 COULD BE ENHANCED TO PROVIDE THE KIND OF  
12 INFORMATION THAT'S NEEDED OUT THERE IN TERMS OF  
13 MATERIALS, SUPPLY, AND COST.

14 AND FINALLY, JUST TO PROVIDE YOU,  
AS

15 I DO EVERY MONTH, AN UPDATE ON THE LOAN FUND  
16 STATUS ITSELF. AS OF OCTOBER 31ST OF THIS YEAR,  
17 WE'VE SEEN 52 LOANS CLOSED IN THE AMOUNT OF \$20.2  
18 MILLION. AN ADDITIONAL THREE ACTIVE LOAN  
19 APPLICATIONS ARE MOVING FORWARD IN THE AMOUNT OF  
20 1.4 MILLION AND HAVE BEEN APPROVED BY THE BOARD,  
21 BUT NOT YET CLOSED. APPROXIMATELY 17 AND A HALF

22        MILLION REMAIN FOR LOANS THAT ARE AVAILABLE  
23        THROUGH THIS FISCAL YEAR.  
24                        THE LOAN APPLICATIONS SUBMITTAL  
25        DATES FOR 1997 WILL BE JANUARY 3D, APRIL 1ST,  
JULY

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1 1ST, AND OCTOBER 1ST, BUT THIS WILL ALL CHANGE AS  
2 WE MOVE OUR REGULATIONS FORWARD AND LOOK AT A  
3 CONTINUOUS CYCLE. SO WE HAVE THOSE DATES ON  
4 TARGET RIGHT NOW, BUT THE COMMITTEE WILL BE SEEING  
5 DRAFT REGULATIONS VERY SOON THAT WILL MOVE US INTO  
6 A CONTINUOUS APPLICATION MODE?

7 AND THAT'S ALL I HAVE AT THIS TIME.  
8 I'D BE HAPPY TO ANSWER ANY QUESTIONS.

9 CHAIRMAN RELIS: ANY QUESTIONS?

10 MEMBER PENNINGTON: VERY GOOD REPORT.

11 CHAIRMAN RELIS: BEFORE WE GO FURTHER,  
12 I'VE RECEIVED A NUMBER OF COMMUNICATIONS WHICH I  
13 SHOULD EX PARTE FOR THE COMMITTEE. ONE IS FROM  
14 TENNECO. THESE ARE REGARDING THE TRASH BAG  
15 REGULATIONS. WE'VE RECEIVED TWO OTHERS, WHICH  
16 SOMEHOW I SEEM TO HAVE -- OH, FROM HUNTER RUIZ,  
17 ALSO ON THE PROPOSED RULEMAKING AND EVIDENCE TO  
18 EVALUATE A PETITION FOR VARIANCE FROM THE  
19 RECYCLED-CONTENT TRASH BAG PROGRAM.

20 SO I'LL NOTICE THESE FOUR ON  
BEHALF

21 OF THE COMMITTEE, AND THEY'RE ENTERED INTO THE  
22 RECORD.

23 MEMBER PENNINGTON: DID YOU GET THE  
POLY  
24 AMERICA?

25

CHAIRMAN RELIS: POLY AMERICA IS A

THIRD

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1       COMMUNICATION.

2                   MEMBER PENNINGTON:   IT WAS ADDRESSED TO  
3       YOU, AND IT'S WITH REFERENCE TO THE TRASH BAG.

4                   CHAIRMAN RELIS:   POLY AMERICA AS WELL.

5                   MEMBER PENNINGTON:   BOTH MR. CHESBRO.

6                   CHAIRMAN RELIS:   IT'S ALREADY BEEN IN THE  
7       RECORD, BUT WE'LL MAKE NOTE OF THAT AGAIN.   OKAY.

8                   SO THAT BRINGS US TO OUR AGENDA FOR  
9       TODAY AND OUR -- WE'RE VERY PLEASED TO HAVE J. P.  
10      ELLMAN WITH US, WHO IS PRESIDENT OF THE CITY OF  
11      LOS ANGELES BOARD OF PUBLIC WORKS.   AND I'D LIKE  
12      TO JUST SAY A FEW WORDS ABOUT THE INTERACTION  
13      WE'VE HAD BEFORE WE BEGIN THIS PRESENTATION.

14                   SOME TIME AGO I THINK WE NOTED THAT  
15      ONE OF OUR EFFORTS AS A BOARD IS TO TRY AND  
16      DEVELOP MARKETS IN THE CONSTRUCTION SECTOR BECAUSE  
17      IT COULD BE SUCH A TREMENDOUS MARKET PULL FOR OUR  
18      EFFORTS.   AND I HAD THE PLEASURE OF MEETING J. P.,  
19      AND WE HAD A CHANCE TO DISCUSS SOME TIME AGO THE  
20      DEVELOPMENT OF THE DREAM WORKS PROJECT DOWN IN  
21      L.A. NEAR THE AIRPORT.   AND THAT HAS PROGRESSED TO  
22      THE POINT WHERE IT'S TIME FOR A PRESENTATION SO WE  
23      CAN UNDERSTAND WHAT ROLE WE'VE BEEN PLAYING IN  
24      THIS AND THE INTEREST OF THE BOARD OF PUBLIC

25       WORKS, WHICH HAS TAKEN THE LEAD ON THIS ISSUE.

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1                   AND SO I THOUGHT IT WAS TIMELY FOR  
2       MS. ELLMAN TO BE HERE AND EXPLAIN THE CITY'S  
3       INTEREST, AND SO I'M VERY PLEASED THAT SHE AND  
4       KELLY INGALLS FROM THE CITY ARE HERE WITH US  
5       TODAY.   THANK YOU VERY MUCH.

6                   MS. ELLMAN:   THANK YOU.   IT'S REALLY A  
7       PLEASURE TO BE HERE AT YOUR COMMITTEE THIS  
8       MORNING.   AND AS YOU MENTIONED, THIS REALLY IS A  
9       VERY EXCITING PROJECT.   AND WHAT WE AS THE BOARD  
10      PUBLIC WORKS, TOGETHER WITH YOU AND THE  
INTEGRATED

11      WASTE BOARD, ARE DOING IS EQUALLY AS EXCITING.

12                   WE -- WHAT WE'RE DOING IS  
EVERYTHING

13      POSSIBLE TO ENCOURAGE, ENTICE, AND GENERALLY LEAD  
14      THE WAY TOWARDS PUTTING INTO PLACE SUSTAINABLE  
15      DEVELOPMENT AT THE PLAYA VISTA PROJECT.   I'M  
GOING  
16      TO EXPLAIN WHAT THAT PROJECT IS.

17                   FIRST, WE'D LIKE TO GIVE YOU SOME  
18      DESCRIPTION AND BACKGROUND ON THE PROPERTY, SO  
YOU  
19      CAN UNDERSTAND THE IMPORTANCE AND THE CONTEXT OF  
20      ALL OF THIS.   THE PLAYA VISTA PROPERTY IS A  
21      1,087-ACRE SITE LOCATED ROUGHLY BETWEEN MARINA  
DEL

22 REY ON THE NORTH, THE LAX/WESTCHESTER AREA ON THE  
23 SOUTH, THE OCEAN ON THE WEST, AND THE 405 FREEWAY  
24 ON THE EAST. IT'S ABOUT 3.3 MILES IN LENGTH, AND  
25 ABOUT ONE MILE FROM NORTH TO SOUTH AT ITS WIDEST



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1 POINT.

2 THE PROPERTY ITSELF HAS A VERY  
3 INTERESTING HISTORY. HOWARD HUGHES ACQUIRED THE  
4 PROPERTY IN THE EARLY 1940S TO SERVE AS HIS  
5 AVIATION COMPANY'S HEADQUARTERS. AND DURING THAT  
6 TIME, UP UNTIL 1994, HUGHES AIRCRAFT MANUFACTURED  
7 RADAR AVIATION PRODUCTS AND ALL TYPES OF  
8 AEROSPACE, HELICOPTERS, AIRPLANES, INCLUDING THE  
9 FAMILIAR SPRUCE GOOSE.

10 THE SUMA CORPORATION RECOGNIZED,  
11 WHICH WAS THE PROPERTY DEVELOPMENT END OF HUGHES  
12 CORPORATION, RECOGNIZED THE COMMERCIAL DEVELOPMENT  
13 POTENTIAL OF THE SITE AND BEGAN AN AMBITIOUS PLAN  
14 THAT PROPOSED HOTELS, LARGE SHOPPING MALLS, AND  
15 HIGH-RISE OFFICE BUILDINGS AS THIS PROPERTY WAS  
16 WINDING DOWN ITS AEROSPACE USE.

17 HOWEVER, PUBLIC CONCERN ABOUT THE  
18 PROPERTY'S DEVELOPMENT IMPACTS AND THE UNCHECKED  
19 GROWTH CAUSED A LOT OF OPPOSITION FROM THE  
20 COMMUNITY. AND, IN FACT, THE CURRENT CITY COUNCIL  
21 MEMBER THAT REPRESENTS THAT AREA, RUTH GALANTER,  
22 WHO SOME OF YOU MAY KNOW, WAS ACTUALLY ELECTED ON  
23 PARTLY ON A PLATFORM TO STOP THE DEVELOPMENT IN  
24 ITS THEN CURRENT STATE BECAUSE OF ALL THE  
25 ENVIRONMENTAL IMPACTS.

1                   AND BY THE WAY, THE PLAYA VISTA  
2       PROPERTY JUST HAPPENS TO ENCOMPASS THE LAST  
3       REMAINING WETLANDS, MAJOR REMAINING WETLANDS, IN  
4       THE CITY OF LOS ANGELES, SO IT' VERY CONTROVERSIAL  
5       AND IMPORTANT ENVIRONMENTALLY FOR MANY DIFFERENT  
6       REASONS. A LOT OF THE WETLANDS HAVE BEEN  
7       DEGRADED; BUT, YES, THERE IS A PLAN TO UPGRADE AND  
8       RESTORE THE WETLANDS.

9                   IN 1989 MCGUIRE THOMAS PARTNERS  
10      BECAME THE MANAGING PARTNER OF THE PROPERTY AND A  
11      NEW EFFORT TO ADDRESS THE COMMUNITY CONCERNS  
12      BEGAN. AND AT THAT TIME THERE WAS AN EFFORT TO  
13      THEN DOWNGRADE THE SCOPE OF THE PROPERTY AND TAKE  
14      INTO CONCERN A LOT OF THE ENVIRONMENTAL  
15      CONSIDERATIONS.

16                  IN THE FINAL DAYS OF THE USAGE OF  
17      THE PROPERTY AS AN AEROSPACE TYPE OF PROPERTY, THE  
18      NORTHRIDGE EARTHQUAKE HAPPENED BEGINNING OF 1994,  
19      WHICH FURTHER TRANSFORMED THE FUTURE OF THIS  
20      PROPERTY BECAUSE ON THAT PROPERTY IS A LOCATED  
21      MASSIVE AIRPLANE HANGARS WHICH HAPPEN TO BE  
22      PERFECTLY SUITED FOR MOVIE SETS. AND IN THE DAYS  
23      IMMEDIATELY FOLLOWING THE NORTHRIDGE EARTHQUAKE,  
24      THERE WAS A HUGE SCRAMBLE BY THE MOTION PICTURE

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25        AND T.V. INDUSTRY TO FIND STUDIO SPACE TO CONTINUE

1       THEIR PRODUCTIONS.

2                       SO THE -- PAUL RELIS WILL ATTEST TO  
3       HUGENESS OF SOME OF THESE BUILDINGS.

4                       CHAIRMAN RELIS:  I REMEMBER, I'LL NEVER  
5       FORGET WE TOOK A TOUR, AND WE WERE TAKEN BOTH INTO  
6       THE HANGAR, BUT ALSO THIS LOCATION WHERE I GUESS  
7       SOME TOP SECRET RADAR WORK HAD BEEN DONE.  AND  
8       IT'S COMPLETELY -- I MEAN YOU CAN'T SEE AN INCH IN  
9       FRONT OF YOU IN THERE WITHOUT A GUIDE, AND IT'S  
10      SOMEWHERE IN THE BOWELS OF THIS GIANT BUILDING.  
11      AND WE WERE -- THE CORRIDORS STRETCH FOR SEEMINGLY  
12      HUNDREDS OF YARDS, SO IT'S A VAST COMPLEX.

13                      MS. ELLMAN:  VERY LARGE.  AND THE  
14      HANGAR -- IN THE HANGARS WERE FILMED SUCH FILMS AS  
15      "VIRTUOSITY," "NIXON," "INDEPENDENCE DAY,"  
16      "AMERICAN PRESIDENT," AND "BATMAN FOREVER" SINCE  
17      THE NORTHRIDGE EARTHQUAKE.

18                      PLAYA VISTA'S UNIQUE FEATURES ALSO  
19      ATTRACTED STEVEN SPIELBERG, JEFFREY KATZENBERG,  
20      AND DAVID GEFFIN AS THEY VISUALIZED A NEW HOME FOR  
21      THEIR NEWLY FORMED ENTERTAINMENT COMPANY CALLED  
22      DREAM WORKS SKG.  THE CITY OF LOS ANGELES LAUNCHED  
23      A VERY INTENSIVE EFFORT TO ENTICE DREAM WORKS TO  
24      LOCATE AT THE PLAYA VISTA SITE FOR MANY DIFFERENT

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25 REASONS, INCLUDING THE DESIRE TO BRING REVENUE

1 INTO THE CITY.

2 THE -- THEY LIKE THE SITE. THEY  
3 LIKED THE ENTICEMENT THAT THE CITY GAVE THEM; AND,  
4 THEREFORE, THE PLAYA VISTA PROJECT WILL NOW  
5 INCLUDE AN ENTERTAINMENT MEDIA DISTRICT, EMD FOR  
6 SHORT. IT'S A VERY INNOVATIVE TYPE OF CONCEPT.  
7 IT WILL BE A STATE-OF-THE-ART TECHNOLOGICALLY  
8 INNOVATIVE STUDIO CAMPUS LOCATED ON A HUNDRED  
9 ACRES AT THE FAR EAST END OF THE PROPERTY.

10 JUST SO THAT YOU CAN SEE, THIS IS  
11 THE LARGE WETLANDS AREA, AND THIS IS THE VILLAGE  
12 CENTER, THE COMMERCIAL AND RESIDENTIAL AREA, AND  
13 OVER AT THE OTHER END IS THE DREAM WORKS. OVER  
14 HERE ARE THE SOUND STAGES, THE LARGE HANGARS.

15 SPECIFICALLY PLAYA VISTA MASTER PLAN  
16 PROPOSES APPROXIMATELY 13,000 RESIDENTIAL UNITS,  
17 FIVE MILLION SQUARE FEET OF OFFICE AND STUDIO  
18 SPACE, 600,000 SQUARE FEET OF NEIGHBORHOOD RETAIL  
19 SPACE, 750 HOTELS ROOMS, MORE THAN 650,000 SQUARE  
20 FEET OF COMMUNITY SERVING USES SUCH AS POLICE,  
21 FIRE STATIONS, SCHOOLS, CHILD CARE CENTERS, PUBLIC  
22 LIBRARY, AND IN ADDITION TO THAT, A NEW BOAT BASIN  
23 ADJACENT TO MARINA DEL REY WILL BE CONSTRUCTED.

24 SO AS YOU CAN TELL, IT'S A  
MASSIVE

25 TYPE OF DEVELOPMENT. NOT ONLY BECAUSE OF THE

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1       INTEGRATED CONCEPT OF CREATING A COMMUNITY, BUT  
2       ALSO THE FACT THAT DREAM WORKS SKG WORLDWIDE  
3       HEADQUARTERS WILL BE LOCATED THERE, THAT WILL  
4       CERTAINLY ATTRACT WORLDWIDE ATTENTION TO THE TYPE  
5       OF DEVELOPMENT THAT GOES IN THERE.

6                       WE BELIEVE THAT MCGUIRE THOMAS  
7       PARTNERS AND DREAM WORKS -- THE DREAM WORKS  
8       PROJECT DEVELOPMENT STAFF ARE VERY KEENLY AWARE OF  
9       THE IMPORTANCE OF ENVIRONMENTALLY SENSITIVE  
10      CONSTRUCTION ASSOCIATED WITH PLAYA VISTA,  
11      INCLUDING SOLID WASTE ISSUES.   THE LOS ANGELES  
12      CITY BOARD OF PUBLIC WORKS HAS MADE A COMMITMENT  
13      TO ASSIST THE DEVELOPERS WITH AN INTEGRATED SOLID  
14      WASTE PROGRAM FOR THE PROJECT DURING CONSTRUCTION  
15      AND FOR ITS LONG-TERM OPERATIONS ALSO.

16                     WE KNOW THAT YOUR BOARD HAS ALSO  
17      OFFERED ASSISTANCE, AND WE VERY MUCH APPRECIATE  
18      THE OPPORTUNITY TO PARTNER WITH YOU AND WORK  
19      JOINTLY ON THIS IMPORTANT PROJECT.

20                     AS AN ASIDE, YOU MAY BE AWARE THAT  
21      THE DEVELOPERS ARE STILL WORKING OUT FINANCING  
22      ARRANGEMENTS FOR THE PROJECT; HOWEVER, WE ARE  
23      CONFIDENT THAT THE PROJECT WILL GO FORWARD, AND WE  
24      FEEL IT'S IMPORTANT TO PURSUE OUR WORKING TOGETHER  
25      DURING THIS TIME PERIOD.   WE SHOULD NOT STOP OUR



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1 DISCUSSIONS AND OUR OFFERS OF ASSISTANCE.

2 AND IN FACT, SINCE JANUARY OF THIS  
3 YEAR, MY OFFICE AND THE INTEGRATED WASTE  
4 MANAGEMENT OFFICE HAVE PARTICIPATED IN A SERIES OF  
5 MEETINGS WITH MCGUIRE THOMAS AND AMBLIN AND  
6 ENTERTAINMENT DREAM WORKS TO ADDRESS SOLID WASTE  
7 MANAGEMENT ISSUES. AS WE'VE MENTIONED, PAUL RELIS  
8 HAS BEEN AND YOUR STAFF HAS BEEN INSTRUMENTAL IN  
9 ALL OF THIS.

10 WE'VE ALSO INVOLVED OUR CITY  
11 ARCHITECT, BILL HOLLAND, WHO HAPPENS TO THE CHAIR  
12 OF THE CITY'S TASK FORCE ON SUSTAINABLE  
13 DEVELOPMENT AND DESIGN. THAT TASK FORCE WAS  
14 CREATED BY THE L.A. CITY COUNCIL IN APRIL OF 1995  
15 AND IS DEVELOPING SUSTAINABLE DESIGN AND  
16 CONSTRUCTION GUIDELINES FOR CITY-OWNED BUILDINGS,  
17 CITY-INFLUENCED BUILDINGS, AND PRIVATE SECTOR  
18 DEVELOPMENTS. WE EXPECT THAT THOSE GUIDELINES  
19 WILL BE USEFUL FOR THE DEVELOPERS IN THE PLAYA  
20 VISTA DREAM WORKS PROJECT.

21 AS AN INITIAL EFFORT, MR. HOLLAND  
22 RECENTLY PREPARED A REPORT WITH THE ASSISTANCE OF  
23 AMERICAN INSTITUTE OF ARCHITECTS, DETAILING CASE  
24 STUDIES DEMONSTRATING THE COST SAVINGS ASSOCIATED



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1 THE DEVELOPERS MAY TAKE INTO CONSIDERATION FOR THE  
2 PROJECT. WE BROUGHT A COPY OF THAT REPORT SO THAT  
3 YOU CAN TAKE A LOOK AT THAT AND SEE COST SAVINGS,  
4 TYPES OF COST SAVINGS WE'RE TALKING ABOUT. KELLY  
5 INGALLS WILL FURTHER DISCUSS THAT.

6 THE SCOPE OF THE SOLID WASTE  
7 MANAGEMENT PROGRAM THAT HAS BEEN DISCUSSED FOR  
8 PLAYA VISTA DREAM WORKS INCLUDES CONSTRUCTION,  
9 DEMOLITION AND LAND CLEARING, RECYCLING,  
10 RECYCLED-CONTENT CONSTRUCTION PRODUCTS, AND SPACE  
11 ALLOCATION FOR RECYCLING.

12 WE HAVE PROPOSED THAT THE STATE  
13 BOARD DEVELOP A TECHNICAL PROJECT MANUAL WITH  
14 GUIDELINES AND PRODUCT DATA THAT WILL HELP THE  
15 DEVELOPERS SELECT PRODUCTS AND MATERIALS WITH  
16 RECYCLED CONTENT.

17 WE'VE ALSO BEEN ASKED BY RETHINK  
18 INCORPORATED, WHICH IS MCGUIRE THOMAS'  
19 ENVIRONMENTAL CONSULTANTS, TO HELP COSPONSOR A  
20 SEMINAR THAT WOULD ASSIST POTENTIAL CONTRACTORS  
21 AND DEVELOPERS ON THIS PROJECT AND EDUCATE THEM  
22 AS  
23 TO THE PRODUCTS THAT THEY COULD USE AND  
24 INCORPORATE IN THE DESIGN.

25 RATHER THAN IMPOSING MANDATES, THE  
CITY'S POLICY FOR DEVELOPERS -- FOR THE



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1        IS TO DESIGN A VOLUNTARY, INTEGRATED SOLID WASTE  
2        MANAGEMENT PROGRAM THAT OPTIMIZES RECYCLING AND  
3        MAKES REAL ACCOMPLISHMENTS IN TERMS OF PROCUREMENT  
4        OF RECYCLED-CONTENT PRODUCTS. THIS IS CONSISTENT  
5        WITH THE CITY'S APPROACH TO HOW WE IMPLEMENT AB  
6        939.

7                        BECAUSE OF THE AMOUNT OF ATTENTION  
8        BEING PAID TO THE POTENTIAL ENVIRONMENTAL IMPACTS  
9        OF THE PROJECTS, WE BELIEVE THAT THE DEVELOPERS  
10       NEED TO MAKE SOME REAL BROWNIE POINTS WITH THE  
11       COMMUNITY. AND WE DO BELIEVE THAT THEY ARE VERY  
12       ANXIOUS TO PARTICIPATE IN OUR PROGRAM.

13                      WE'D ALSO LIKE THERE TO BECOME A  
14       MODEL TYPE OF DEVELOPMENT WHICH CAN BE VIEWED  
15       WORLDWIDE. WE'D LIKE TO SEE A WELL-PLANNED SOLID  
16       WASTE APPROACH, RESULTING IN COST SAVINGS TO  
17       DEVELOPERS, NOT ONLY DURING CONSTRUCTION, BUT ALSO  
18       DURING OPERATION OF THE BUILDINGS.

19                      THE AIA REPORT I MENTIONED TALKS  
20       LONG-TERM COST SAVINGS FROM ENERGY EFFICIENCY;  
21       HOWEVER, THE REPORT ALSO NOTES THE HEIGHTENED  
22       PERCEPTION OF VALUE THAT COMES FROM AN  
23       ENVIRONMENTALLY SENSITIVE PROJECT.

24                      POTENTIAL COMMERCIAL TENANTS AND

25

RESIDENTIAL BUYERS FOR PLAYA VISTA WILL BE

23

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1       ATTRACTED TO A PROJECT, WE BELIEVE, THAT OFFERS  
2       RECYCLING AND CAN SHOWCASE ITS USE OF  
3       RECYCLED-CONTENT PRODUCTS AND MATERIALS ALONG WITH  
4       OTHER ENVIRONMENTAL SOLUTIONS, SUCH AS THE  
5       WETLANDS RESTORATION.

6                       THE BOARD OF PUBLIC WORKS WOULD VERY  
7       MUCH LINING TO THANK YOU ALL OF YOU FOR YOUR  
8       ASSISTANCE AND ENCOURAGEMENT IN THIS, AND WE LOOK  
9       FORWARD TO CONTINUING OUR PARTNERSHIP.  AND I'D  
10      ALSO LIKE KELLY INGALLS TO SAY A FEW WORDS ABOUT  
11      SOME OF THE DETAILS OF WHAT I'VE TALKED ABOUT.

12                   CHAIRMAN RELIS:  THANK YOU VERY MUCH.  
13      BEFORE YOU STEP DOWN, ARE THERE ANY QUESTIONS?

14                   MEMBER PENNINGTON:  NO.  IT'S A LOVELY  
15      LOOKING PROJECT THOUGH.

16                   CHAIRMAN RELIS:  KELLY.

17                   MR. INGALLS:  THANK YOU.  I THINK  
18      COMMISSIONER ELLMAN CERTAINLY COVERED A LOT OF  
19      TERRITORY ON WHAT IS INVOLVED IN THIS PARTICULAR  
20      PROJECT, SO I'LL JUST HAVE A FEW ADDITIONAL  
21      COMMENTS TO KIND OF FILL YOU IN ON WHERE I THINK  
22      WE CAN WORK TOGETHER BETWEEN OUR OFFICE AND YOUR  
23      BOARD AND MARKET DEVELOPMENT STAFF.

24                   JUST GENERALLY, I'D LIKE TO TALK  
25      ABOUT THE CITY'S APPROACH TO SUSTAINABLE

1       CONSTRUCTION, SOME OF THE THINGS WE'RE DOING.  
2       THAT IS, CONSTRUCTION AND DEMOLITION RECYCLING,  
3       RECYCLED-CONTENT PRODUCTS, AND SPACE ALLOCATION  
4       FOR RECYCLING ARE THINGS THAT OUR OFFICE DOES ON  
5       AN ONGOING BASIS. I AM FORTUNE TO GET CALLS EVERY  
6       DAY FROM DIFFERENT ARCHITECTS AND BUILDERS WHO  
7       NEED THIS KIND OF INFORMATION.

8                       AND TO KIND OF PUT IT IN  
9       PERSPECTIVE, PLAYA VISTA DREAM WORKS IS ONE  
10      PROJECT AMONG MANY THAT WE SEE IN LOS ANGELES THAT  
11      ARE VERY LARGE-SCALE. FOR EXAMPLE, OUR HARBOR  
12      DEPARTMENT IS PREPARING TO BUILD \$1.2 BILLION  
13      WORTH OF CONSTRUCTION ON TWO BERTHS THAT ARE GOING  
14      TO BE COMING UP SOON. OUR HOUSING AUTHORITY IS  
15      GOING TO BE DOING \$60 MILLION CONSTRUCTION OF A  
16      HOUSING REPLACEMENT WHERE THEY'RE GOING TO DEMO AN  
17      EXISTING HOUSING UNIT AND BUILD A NEW ONE. SO  
18      THAT OUTREACH IS VERY IMPORTANT.

19                     IN ADDITION TO THE WORK OUR OFFICE  
20      DOES THROUGH THE SUSTAINABLE DESIGN TASK FORCE,  
21      THE ARCHITECTURAL DIVISION, ALL THE CITY  
22      DEPARTMENTS THAT HAVE ARCHITECTURAL STAFF ARE  
23      BROUGHT TOGETHER UNDER THAT, AND WE'VE INVOLVED  
24      OUR RECREATION AND PARKS AND OUR HOUSING PEOPLE  
IN  
25      TRYING TO GET EVERYONE WHO HAS THOSE KINDS OF



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1       FUNCTIONS INTO THE TASK FORCE TO ADDRESS ENERGY  
2       EFFICIENCY AND RESOURCE EFFICIENCY AS WELL.  SO I  
3       THINK THAT WHAT WE ARE LOOKING FOR, AS  
4       COMMISSIONER ELLMAN MENTIONED, IS THAT WE'RE  
5       LOOKING FOR PLAYA VISTA DREAM WORKS TO BE A MODEL  
6       THAT COULD BE APPLIED TO SUSTAINABLE DEVELOPMENT  
7       IN THE SOUTHERN CALIFORNIA AND THROUGHOUT  
8       CALIFORNIA AS WELL.

9                       SPECIFICALLY IN TERMS OF WHAT THIS  
10       PROJECT WILL INVOLVE, I'VE DONE SOME WALKTHROUGHS,  
11       AS YOU HAVE, AND I THINK THERE ARE ABOUT EIGHT TO  
12       ELEVEN VERY LARGE BUILDINGS THAT WILL BE DEMO'D.  
13       AND IN WALKING THROUGH THEM, WE SAW A HUGE AMOUNT  
14       OF REUSE OPPORTUNITIES, ANYTHING FROM HIGH QUALITY  
15       DOORS AND WINDOW ASSEMBLIES ON DOWN TO CRUSHING  
16       ASPHALT AND CONCRETE ON SITE.  AND IN MEETING WITH  
17       THE CONSTRUCTION MANAGER UNDER MCGUIRE THOMAS AND  
18       DISCUSSING IT, HE ACTUALLY SAID THAT THEY THOUGHT  
19       THAT THEY COULD GET A DEMO CONTRACTOR ON WHO WOULD  
20       PAY THEM TO DO THE WORK BECAUSE THEY COULD GET SO  
21       MUCH MATERIALS OUT, WHICH I THOUGHT WAS  
22       INTERESTING.

23                       SO I OFFERED TO WORK CLOSELY WITH  
24       HIM AND THE GENERAL CONTRACTOR ON PROVIDING SOME

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25 CONTRACT MANAGEMENT GUIDELINES AND SO ON, BUT I'D

1        LIKE TO SEE IF THEY COULD QUANTIFY WHAT THEY DO,  
2        AT THE END OF THE PROJECT, BE ABLE TO DOCUMENT IT.  
3        I THINK THAT WOULD BE VERY IMPORTANT AND WOULD  
4        CERTAINLY LEND SUPPORT TO OUR SUSTAINABLE  
5        DEVELOPMENT.

6                        COMMISSIONER ELLMAN DID SEND A  
7        LETTER TO YOU ASKING YOUR ASSISTANCE IN PREPARING  
8        WHAT WAS REFERRED TO AS A MANUAL, A TECHNICAL  
9        ASSISTANCE MANUAL, TO PROVIDE TO MCGUIRE THOMAS  
10       AND DREAM WORKS. I THINK THAT THE INTENT THERE  
11       WAS THAT YOU HAVE A FORMAL DOCUMENT WHERE THERE  
12       ARE SOME ARCHITECTURAL STAFF THAT ARE BEING HIRED  
13       DOWN THE LINE WOULD BE ABLE TO REFER TO THAT AND  
14       HAVE THE GUIDELINES IN PLACE SO THAT KIND OF  
15       INSURANCE THAT PEOPLE ARE OBSERVING THESE ISSUES.

16                       AND THE THINGS THAT WOULD BE  
17       INCLUDED IN THAT WOULD BE SOME GUIDELINES IN  
TERMS  
18       OF THE ISSUES THAT HAVE TO DO WITH  
19       RECYCLED-CONTENT AND BUILDING CODE AND COST  
ISSUES

20       THAT ARE ALWAYS QUESTIONS THAT COME UP. AND  
I  
21       THINK ALSO TO PROVIDE SOME KINDS OF

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GUIDELINES ON

22        HAVING A WAY TO HAVE A LOOK AT PRODUCTS THAT  
ARE

23        AVAILABLE IN THE MARKET THAT WOULD BE  
FEASIBLE AND

24        SUITABLE FOR THE PROJECT.

25                        THAT'S A KIND OF PERSPECTIVE.

I 'VE

1       WORKED CLOSELY WITH SOME OF THE ARCHITECTURAL  
2       DIVISION ON ONE OF OUR RECENT PROJECTS FOR A  
3       POLICE ACADEMY CONSTRUCTION AND STARTED WORKING  
4       WITH THE ARCHITECTS AT THE DRAWING BOARD IN THE  
5       DESIGN DEVELOPMENT PHASE.  AND WHEN THEY STARTED  
6       DOING THE CONSTRUCTION DRAWINGS, THEN THEY WERE  
7       BEING ABLE TO MAKE THESE KINDS OF SELECTIONS.  SO  
8       THAT'S THE KIND OF MODEL OR THE APPROACH I'D LIKE  
9       TO SEE THAT WE WOULD HAVE ON THIS PROJECT IF  
10      SOMEONE WAS ABLE TO GET THERE EARLY ENOUGH TO BE  
11      ABLE TO HELP THEM FIND THE PRODUCTS.

12                   I'M KIND OF PROPOSING THAT THE --  
13      YOUR MARKET DEVELOPMENT STAFF PUT THE MANUAL  
14      TOGETHER, BUT WE WOULD HAVE CONTRIBUTORS, NOT ONLY  
15      OUR OFFICE, BUT OTHER CONTRIBUTORS WHO COULD BRING  
16      IN CASE STUDIES.  FOR EXAMPLE, IN PORTLAND THE  
17      RIVER CITY RESOURCE GROUP HAS DID THE PORTLAND  
18      ARENA AND ONE MILLION SQUARE FEET FOR NIKE WHERE  
19      THERE'S A LOT OF RECYCLED-CONTENT PRODUCTS  
20      INVOLVED IN THAT.  SO THAT WOULD BE AN OPPORTUNITY  
21      FOR US TO BRING THAT GROUP IN AND CONTRIBUTE AS  
22      WELL.

23                   SO THAT'S KINDS OF WHERE I THINK WE  
24      COULD GO AND TO PROVIDE THIS MANUAL SOMETIME

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25        AROUND THE FIRST OF THE YEAR, AT LEAST IN A DRAFT

1       FORM.  I BELIEVE IT WOULD BE IMPORTANT TO HAVE IT  
2       IN PLACE AT THE TIME THEY START DOING CONSTRUCTION  
3       DOCUMENTS.

4               MEMBER CHESBRO:  YOU JUST MENTIONED SOME  
5       OF THE SHORT-TERM TIME FRAME.  YOU HAVE ANY SENSE  
6       OF THE LONGER-TERM TIME FRAME FOR DEVELOPMENT OF  
7       THE PROPERTY, ABOUT WHEN YOU MIGHT SEE ACTUAL  
8       CONSTRUCTION OF SOME OF THESE BUILDINGS AND  
9       FACILITIES?

10              MR. INGALLS:  SOMEONE MENTIONED TO ME IT  
11       WAS GOING TO BE ABOUT THE NEXT 20 YEARS FOR THE  
12       WHOLE FULL PHASE UP TO 13,000 RESIDENTIAL UNITS.

13              MS. ELLMAN:  BUT I THINK THE -- ASSUMING  
14       THE FINANCING IS IN PLACE, I THINK THE PLAN WAS  
15       TO  
16       START PHASE I WITHIN THE NEXT FEW MONTHS,  
17       PROBABLY

18       SOMETIME IN THE SPRING.  I SEEM TO REMEMBER AN  
19       ANTICIPATED COMPLETION DATE OF PHASE I SOMETIME  
20       IN  
21       1998.

22              MEMBER CHESBRO:  IT'S VERY EXCITING.  
23       I'M  
24       REALLY IMPRESSED, AND I THINK THAT IT'S  
25       IMPORTANT -- I THINK IT'S AN IMPORTANT PROJECT  
26       FROM THE STANDPOINT OF REVITALIZING SOUTHERN



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23 CALIFORNIA'S IMAGE AND BUSINESS CLIMATE AND ALL  
OF  
24 THAT, BUT AT THE SAME TIME TO MAKE IT REALLY  
25 CLEARLY A PROGRESSIVE PROJECT THAT LOOKS TO THE

1 FUTURE AND TIES IN ALL THE OTHER THINGS THAT  
2 CALIFORNIA AND IN PARTICULAR SOUTHERN CALIFORNIA  
3 ARE TRYING TO ACHIEVE ENVIRONMENTALLY. I'M VERY  
4 EXCITED ABOUT IT, AND I WOULD LIKE TO FOLLOW IN  
5 PAUL'S FOOTSTEPS AND GET DOWN THERE AND TAKE A  
6 LOOK AT IT SOMETIME.

7 CHAIRMAN RELIS: I WOULD CERTAINLY URGE  
8 COMMITTEE MEMBERS TO GO TAKE THAT TOUR WHILE THE  
9 BUILDINGS AT LEAST SOME OF THEM ARE STILL THERE  
10 BECAUSE IT IS AN HISTORICAL SITE. I UNDERSTAND  
11 ONE OR MORE OF THE BILLINGS WILL BE PRESERVED AS  
12 HISTORICAL.

13 MS. ELLMAN: I THINK SOMEWHERE AROUND  
14 EIGHT TO ELEVEN WILL BE PRESERVED.

15 CHAIRMAN RELIS: ANOTHER THOUGHT IS, I  
16 JUST WANTED TO INTERJECT WHY I THINK THIS IS SUCH  
17 A SIGNIFICANT UNDERTAKING.

18 SOME SCHOLARS HAVE SAID THAT L.A.,  
19 PEOPLE WHO STUDY THESE WORLDWIDE TRENDS, WILL BE  
20 THE DESIGN -- WORLD DESIGN CENTER FOR THE NEXT, AT  
21 LEAST, SEVERAL DECADES. AND ONE WOULD HAVE TO  
22 THINK THAT THE RESOLUTION OF A PROJECT OF THIS  
23 SCALE WITH THE KIND OF TALENT THAT IS GOING INTO  
24 IT, BECAUSE WE WERE GIVEN A PRESENTATION OF THE  
25 ACTUAL DESIGN OF THE URBAN INFRASTRUCTURE TOO.

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1       THIS IS A REAL CITY-SCALE PROJECT. IT'S NOT A  
2       SUBDIVISION. IT'S FOUR STORIES AND I THINK MAYBE  
3       EVEN UP TO SIX. AND WHEN YOU SEE THE FLOOR PLANS  
4       AND THE STREETS, YOU'RE REALIZING THAT THIS IS A  
5       PIECE OF A CITY. IT'S A VERY BIG PIECE.

6                   AND IF IT IS POSSIBLE TO INCORPORATE  
7       SOME OF THE PRODUCTS THAT THE BOARD HAS BEEN  
8       TRYING TO PROMOTE, THEN THIS COULD BECOME STANDARD  
9       PRACTICE IN BUILDING DESIGN. AND, OF COURSE, THEN  
10      THE MARKET PULL JUST BECOMES A REGULAR OPERATION,  
11      AND ARCHITECTS AND BUILDERS AND THE CONTRACTORS  
12      BECOME SO FAMILIAR WITH THE UTILIZATION OF THESE  
13      MATERIALS, THAT IT'S NO LONGER SUCH AN EFFORT AS  
14      IT IS TODAY. AND THAT'S WHY I THINK THIS IS SUCH  
15      A GREAT COLLABORATION FOR THE BOARD AND FOR THE  
16      CITY OF L.A.

17                   AND I WOULD JUST LIKE TO ASK CAREN  
18      IF SHE COULD ELABORATE ON WHAT THE STAFF HAS BEEN  
19      DOING TO DATE IN RESPONSE TO L.A.'S REQUEST AND  
20      WHERE YOU SEE THINGS GOING IN THE NEXT FEW  
MONTHS.

21                   MS. TRGOVCICH: AS YOU CAN WELL  
22      UNDERSTAND, AND I KNOW THAT WE'VE BEEN GOING  
23      THROUGH SEVERAL ITERATIONS OF A DRAFT, AND I  
24      BELIEVE RICK MULLER AND CAROLE BROW ARE  
PREPARED

25        TO DISCUSS THAT WITH YOU HERE IN TERMS OF WHERE  
WE

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1 ARE GOING WITH THIS, THAT WE'VE HAD TO OVERCOME  
2 SOME HURDLES JUST AROUND THE ROLE THAT A STATE  
3 AGENCY CAN PLAY IN THIS REGARD.

4 CHAIRMAN RELIS: PERHAPS YOU CAN CLARIFY  
5 SOME OF THOSE ISSUES.

6 MS. TRGOVCICH: I THINK THAT WOULD BE A  
7 GOOD CONTEXT TO SET BEFORE RICK MAKES A  
8 PRESENTATION ACTUALLY AROUND WHAT WE ARE DOING IS  
9 THAT AS A STATE AGENCY, WE HAVE AN OBLIGATION AND  
10 RESPONSIBILITY NOT TO HAND SELECT CERTAIN PRODUCTS  
11 OR CERTAIN MANUFACTURERS.

12 WE -- YOU KNOW, WITHOUT AN  
13 EVALUATION PROCESS OR AN OPPORTUNITY TO GO OUT  
14 THERE AND SOLICIT EVERYONE WHO PRODUCES A CERTAIN  
15 TYPE OF A PRODUCT, WE MAY BE SHOWING FAVORITISM.  
16 AND AS A STATE AGENCY, THAT IS AN INAPPROPRIATE  
17 USE OF OUR RESOURCES.

18 SO WHAT WE'VE BEEN TRYING TO DO IS  
19 DESIGN A PRODUCT OR INFORMATION THAT WE COULD  
20 ASSIST THIS PROJECT WITH THAT WOULD TAKE THOSE  
21 CONSTRAINTS INTO ACCOUNT. SO I'D LIKE RICK TO  
22 MAKE A BRIEF PRESENTATION AROUND WHERE WE ARE  
23 GOING HERE.

24 MS. ELLMAN: JUST ONE ADDITIONAL COMMENT  
25 AS AN ASIDE. IN OUR MEETING WITH THE DREAM WORKS

1 PEOPLE, THEY ALSO INDICATED A GREAT RECEPTIVENESS  
2 TO, AS WE GET THE PRODUCT INFORMATION, FEEDING IT  
3 TO THEM AND THEY WOULD CONSIDER ACTUALLY USING IT  
4 IN SOME OF THEIR OTHER FACILITIES, NOT JUST THE  
5 PLAYA VISTA FACILITY. SO IT'S ALL VERY EXCITING.

6 MR. MULLER: GOOD MORNING, MR. CHAIRMAN  
7 AND COMMITTEE MEMBERS. STAFF HAS HAD AN  
8 OPPORTUNITY TO EVALUATE THE PROPOSED TECHNICAL  
9 MANUAL THAT WAS DESCRIBED EARLIER BY KELLY  
10 INGALLS, AND STAFF IS PREPARED TO RECOMMEND THAT  
11 THIS -- THAT THIS IS AN EFFORT THAT SHOULD RECEIVE  
12 BOARD SUPPORT.

13 WE BELIEVE THAT WE HAVE TWO  
14 IMPORTANT RESOURCES OR ASSETS THAT WOULD  
15 FACILITATE THIS PROJECT. FIRST OF ALL,  
16 COLLECTIVELY STAFF HAS QUITE A BIT OF EXPERTISE IN  
17 THE AREA OF RECYCLED-CONTENT BUILDING PRODUCTS.  
18 AND ANOTHER RESOURCE IS THAT WE'VE JUST COMPLETED  
19 OUR DIRECTORY OF RECYCLED-CONTENT BUILDING  
20 PRODUCTS, WHICH INCLUDES MANY RECYCLED-CONTENT  
21 BUILDING PRODUCTS. AND WE THINK IT'S PROBABLY THE  
22 MOST COMPLETE AND UP-TO-DATE DIRECTORY OF ITS KIND  
23 IN THE COUNTRY.

24 BEYOND THE POTENTIAL FOR PLAYA VISTA

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25 TO DRIVE THE MARKETS FOR RECYCLED-CONTENT BUILDING

1       PRODUCTS, I THINK THERE'S, IN THE BROADER  
2       CONTEXT], THERE'S SOME REAL BENEFITS TO DOING THIS  
3       PROJECT FOR THE BOARD.  FIRST OF ALL, THE DOCUMENT  
4       WILL CONTAIN A LOT OF GENERIC INFORMATION THAT  
5       WILL HAVE A LOT OF TRANSFERABILITY TO OTHER  
6       PROJECTS.  SO WE'LL BE ABLE TO ASSIST OTHER  
7       PROJECTS THROUGHOUT CALIFORNIA WITH THIS MANUAL.

8                       AND SECOND, I THINK THAT THIS EFFORT  
9       WILL PROBABLY LEAD TO A STRATEGY TO PUBLICIZE AND  
10      TO BASICALLY GET THE WORD OUT.  SUCCESS STORIES  
11      INVOLVING GREEN BUILDINGS AND OTHER GREEN  
12      DEVELOPMENTS ARE EFFECTIVE MARKETING TOOLS THAT  
13      CAN BE DOCUMENTED AND PUBLICIZED TO INCREASE  
14      AWARENESS OF RECYCLED-CONTENT BUILDING PRODUCTS.

15                      AND I THINK THERE'S ALSO A SIDE  
16      BENEFIT THAT WE'RE ALREADY NOTICING TO DOING A  
17      PROJECT -- TO DOING THE PLAYA VISTA MANUAL.  AND  
18      THAT'S THAT I THINK WE'LL DEVELOP STRONGER TIES  
19      WITH ORGANIZATIONS SUCH AS CLEAN WASHINGTON AND,  
20      OF COURSE, THE INTEGRATED SOLID WASTE MANAGEMENT  
21      OFFICE.

22                      KELLY HAS DESCRIBED A LITTLE BIT  
23      ABOUT WHAT WILL GO IN THE MANUAL, BUT I'LL TRY TO  
24      FLUSH OUT THOSE DETAILS JUST A LITTLE BIT MORE.



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25 THE PROPOSED MANUAL WILL DISPEL COMMON MYTHS ABOUT

1 RECYCLED-CONTENT BUILDING PRODUCTS, PROVIDE USEFUL  
2 INFORMATION TO ASSIST BUILDING TEAM MEMBERS WHO  
3 WISH TO LOCATE AND EVALUATE RECYCLED-CONTENT  
4 BUILDING PRODUCTS. IN ADDITION, THE MANUAL WILL  
5 CONTAIN A CHAPTER ON PRODUCT SPECIFIC INFORMATION  
6 WHICH WILL BE FOCUSED ON THE PLAYA VISTA PROJECT  
7 REQUIREMENTS. AND THIS WILL BE DONE WITHOUT  
8 LIMITING INCLUSION OF THESE PRODUCTS EXCEPT BY  
9 PRODUCT CATEGORY AND LOCATION OF THE  
10 RECYCLED-CONTENT BUILDING PRODUCT MANUFACTURER.

11 I'D LIKE TO GO OVER THE SPECIFIC  
12 CHAPTERS THAT WE PROPOSED. NONE OF THESE ARE  
13 ABSOLUTELY SET IN STONE YET, BUT IT'S POSSIBLE  
14 THAT WE MAY ACTUALLY COMBINE SOME OF THE CHAPTERS,  
15 BUT I'D LIKE TO GO OVER THESE VERY BRIEFLY.

16 FIRST CHAPTER IS AN INTRODUCTORY  
17 CHAPTER, "WHY CHOOSE SUSTAINABLE DESIGN?"

18 CHAPTER 2 WILL BE GENERAL CATEGORIES  
19 OF RECYCLED-CONTENT BUILDING PRODUCTS. THIS IS  
20 BASICALLY THOUGHT OF AS BEING SORT OF A ROAD MAP  
21 TO WHERE YOU FIND PRODUCTS WITHIN THESE  
22 CATEGORIES.

23 CHAPTER 3 WILL BE BARRIERS TO THE  
24 PURCHASE OF RECYCLED-CONTENT BUILDING PRODUCTS.

25 FOUR WILL BE LOCATING

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1 RECYCLED-CONTENT BUILDING PRODUCTS. AND THIS WILL  
2 BE A DESCRIPTION OF THE VARIOUS MANUALS THAT ARE  
3 OUT THERE AND HOW TO USE THEM, THE GUIDES TO  
4 FINDING THESE PRODUCTS.

5 CHAPTER 5, SAMPLE SPECIFICATIONS AND  
6 CONTRACT LANGUAGE FOR RECYCLED-CONTENT BUILDING  
7 PRODUCTS.

8 CHAPTER 6, GUIDELINES FOR SELECTING  
9 RECYCLED-CONTENT BUILDING PRODUCTS.

10 SEVEN WILL BE GREEN BUILDING AND  
11 CASE STUDIES. AS KELLY MENTIONED, NOT ONLY DOES  
12 THE BUY RECYCLED SECTION HAVE A NUMBER OF THESE  
13 CASE STUDIES ALREADY PREPARED, BUT WE BELIEVE WE  
14 CAN ACCUMULATE QUITE A FEW FROM THROUGHOUT THE  
15 NATION.

16 STRATEGIES TO REUSE MATERIAL USE AND  
17 REDUCED MATERIAL USE IN CONSTRUCTION WOULD BE THE  
18 EIGHTH CHAPTER.

19 CHAPTER 9 WOULD BE ADVANCE  
20 CONSTRUCTION PRODUCTS THAT PROMOTE SOURCE  
21 REDUCTION. THESE ARE PRODUCTS SUCH AS  
ENGINEERED

22 WOOD PRODUCTS THAT ACTUALLY USE LESS MATERIAL  
AND

23 PROVIDE EQUAL STRUCTURAL STRENGTH.  
24 CHAPTER 10 AND 11, AS WE PROPOSED  
25 THE TECHNICAL MANUAL, WILL ACTUALLY BE WRITTEN  
BY

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1 KELLY INGALLS OR THE INTEGRATED SOLID WASTE  
2 MANAGEMENT OFFICE. AND THESE TWO CHAPTERS WILL  
3 DEAL WITH LOCAL C AND D ISSUES. THESE WOULD BE  
4 MANAGING JOBSITE WASTE AND RECYCLING

OPPORTUNITIES

5 FOR DEMOLITION MATERIALS.

6 AND THE FINAL CHAPTER WILL BE THE  
7 PROJECT SPECIFIC CHAPTER WHERE WE'LL TRY TO

SELECT

8 PRODUCT CATEGORIES THAT SEEM TO APPLY TO THE

PLAYA

9 VISTA PROJECT, AS I MENTIONED EARLIER, WITHOUT  
10 LIMITING THE INCLUSION EXCEPT BY PRODUCT CATEGORY  
11 AND ALSO BY THE LOCATION OF THE RECYCLED-CONTENT  
12 BUILDING MANUFACTURER.

13 I'D BE HAPPY TO ANSWER ANY

QUESTIONS

14 ABOUT THE PROPOSED MANUAL.

15 MS. TRGOVCICH: MR. CHAIRMAN, JUST TO  
16 POINT OUT AS WELL, THAT WE RECOGNIZE THE TIME  
17 CONSTRAINTS AROUND THIS SPECIFIC PROJECT AND THAT  
18 WE'VE BEEN REQUESTED TO PROVIDE A PRODUCT  
19 SOMETIME, YOU KNOW, BY THE END OF THIS YEAR,

FIRST

20 MONTH OF THE CALENDAR YEAR '97. SO WHAT WE'VE  
21 PRESENTED HERE FOR YOU TODAY IS WHAT WE ENVISION

A

22 FINAL PRODUCT LOOKING LIKE THAT WOULD BE  
23 TRANSFERABLE TO OTHER BUILDING PROJECTS AROUND  
THE  
24 STATE. BUT IT MAY WELL BE THAT FOR PURPOSES OF  
25 MEETING THE TIME CONSTRAINTS HERE, CERTAIN

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1        CHAPTERS ARE GOING TO BE WHAT WE ARE GOING TO  
2        FOCUS ON INITIALLY, THE PRODUCT SPECIFIC CHAPTERS  
3        IS WHERE WE'LL PUT OUR EFFORT INITIALLY AND ANY  
4        OTHER CHAPTERS THAT THE PROPONENTS REALLY WANT TO  
5        SEE US PLACE AN EMPHASIS ON, AND THEN WE'LL FILL  
6        OUT THE REST LATER TO MAKE SURE THAT IT'S OF USE  
7        TO ANYONE ELSE WISHING THIS KIND OF SUPPORT.

8                    CHAIRMAN RELIS:    I THINK WHAT'S SO  
9        IMPORTANT ABOUT THIS FIRST PHASE OR DELINEATING  
10       WHERE TO PUT THE EMPHASIS IS THAT, WHILE WE MAY  
11       HAVE A HIGH DEGREE OF INFORMATION, IT'S HARD TO  
12       KNOW HOW USEFUL THAT IS UNTIL YOU'RE INTERFACING  
13       WITH AN ACTUAL PROJECT THAT'S MEETING A TIME LINE  
14       AND A BUDGET.    AND IT'S GOING TO BE CRITICAL FOR,  
15       I THINK, THE COMMITTEE AND THE WHOLE BOARD TO GET  
16       FEEDBACK AS TO THE USEFULNESS OF THIS LARGE  
17       COMPENDIUM OF INFORMATION THAT'S BEING PUT  
18       TOGETHER BECAUSE, AGAIN, IN THE VIEW OF THE  
19       PARTNERSHIP CONCEPT OF AB 939, WE NEED TO BE  
20       ASSURED THAT THE INFORMATION, IT'S QUALITY AND  
21       IT'S DETAIL AND TIMELINESS MEET THE NEEDS OF THE  
22       CITY OF L.A. OR OTHER PARTIES.    AND THAT'S AN  
23       UNTESTED FRAMEWORK AS YET.    SO I THINK WE WOULD  
24       CERTAINLY LOOK FORWARD TO TIMELY REPORTS BACK ON

25 THE USEFULNESS OF THAT. AND ALSO WOULD INVITE  
THE



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1 CITY TO TELL US WHAT YOUR EXPERIENCE IS AS WELL.

2 MR. INGALLS: I'D JUST LIKE TO COMMENT  
3 THAT ONE OF THE WAYS WE WERE ABLE TO GET A LOT OF  
4 RECYCLED-CONTENT PRODUCTS ON OUR POLICE DRIVER  
5 TRAINING FACILITY AND FIRING RANGE IS HAVING THIS  
6 RELATIONSHIP WITH THE ARCHITECT WHERE HE WOULD  
7 CALL ME UP AND SAY, "DO YOU KNOW ANY WAY THAT WE  
8 CAN GET SOME SPRAYED-ON INSULATION BECAUSE WE NEED  
9 TO SOUNDPROOF THE FIRING RANGE," AND THEN JUST  
10 LOOKING THROUGH THE BOOK AND FINDING SEVERAL  
11 VENDORS OF RECYCLED CELLULOSE INSULATION, FOR  
12 EXAMPLE, AND END UP USING IT.

13 AND I WOULD ALSO SEND OVER A PRODUCT  
14 AND SAY, "WELL, CAN YOU TAKE A LOOK AT THIS  
15 RECYCLED PLASTIC LOCKERS FOR YOUR LOCKER ROOM,"  
16 BECAUSE THEY'RE USING A LOT. AND THEY LIKED THEM,  
17 BUT THEN THE POLICE DEPARTMENT DIDN'T WANT TO DO  
18 THAT BECAUSE THEY HAD TO LOCK UP GUNS AND THEY  
19 THOUGHT THE PLASTIC WOULD BE NOT SAFE ENOUGH. SO  
20 THEY THREW THAT OFF. SO THERE HAS TO BE  
21 INTERSECTION WITH THE ARCHITECTS. IN DOING THAT,  
22 YOU'RE ABLE TO GET MAYBE A DOZEN OR SO PRODUCTS  
23 ON-LINE, AND THAT'S WHAT I THINK THAT WE WOULD

END

24 UP DOING ON THIS PROJECT AS WELL.

25 MEMBER CHESBRO: I HAVE A QUESTION ABOUT

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1 THE SCALE. MR. RELIS WAS TALKING ABOUT THE CITY  
2 SCALE OF THIS PROJECT, TO TRY TO HELP US ENVISION  
3 WHAT IT REALLY REPRESENTS. IN TERMS OF THE  
4 RESIDENTIAL POPULATION AND THE POTENTIAL NUMBER OF  
5 EMPLOYEES, THAT SORT OF THING, TO GET A CLEARER  
6 SENSE, DO YOU HAVE ANY NUMBERS THAT COULD GIVE US  
7 A SENSE OF THE SCALE? IF YOU DON'T, THAT'S OKAY  
8 TOO. I DIDN'T GIVE YOU ANY ADVANCE WARNING ABOUT  
9 THIS.

10 MS. ELLMAN: THIRTEEN THOUSAND  
11 RESIDENTIAL UNITS. AND SO I DON'T KNOW HOW MANY  
12 PEOPLE YOU FIT INTO FIVE MILLION SQUARE FEET OF  
13 OFFICE AND STUDIO SPACE OR 600,000 SQUARE FEET OF  
14 NEIGHBORHOOD RETAIL SPACE, 750 HOTEL ROOMS.

15 MEMBER CHESBRO: SO THAT WOULD PROBABLY  
16 BE GUESSWORK IN TERMS OF TRYING TO IMAGINE HOW  
17 MANY PEOPLE.

18 CHAIRMAN RELIS: IF YOU SAID JUST ON THE  
19 RESIDENCES TWO PEOPLE MAYBE ON AVERAGE PER  
20 RESIDENCE, THAT'S 26,000 PEOPLE RIGHT IN THAT  
21 LITTLE --

22 MEMBER PENNINGTON: 2.5.

23 CHAIRMAN RELIS: 2.5.

24 MEMBER PENNINGTON: ALL THOSE PEOPLE WITH  
25 HALF A CHILD.

1                   MEMBER CHESBRO:   WELL, I JUST SEE IMMENSE  
2           POTENTIAL.   OF COURSE, QUANTIFICATION WAS  
3           MENTIONED.   AND I THINK EVERY STEP OF THE WAY THE  
4           USEFULNESS TO THE REST OF THE STATE AND COUNTRY  
5           AND WORLD, I THINK, WILL BE MAGNIFIED IF THE  
6           ABILITY TO REALLY JUST DEMONSTRATE WHAT'S BEING  
7           ACHIEVED IS DOCUMENTED.   AND I WOULD ENCOURAGE OUR  
8           STAFF TO WORK CLOSELY WITH YOU ON THAT AND  
9           ENCOURAGE THE CITY TO CONTINUE TO DO THAT.

10                   I WOULD THINK THAT SOME OF THESE  
11           PRODUCT MANUFACTURERS WILL WANT TO HAVE THEIR  
12           PRODUCTS ASSOCIATED WITH IT.   AND JUST LIKE YOU  
13           SEE ARMSTRONG ROOFING RUNNING AROUND ADVERTISING  
14           WHICH BUILDINGS THEY PAINTED AND THAT SORT OF  
15           THING, I THINK THAT RECYCLED-CONTENT MANUFACTURERS  
16           WILL BE ABLE TO, YOU KNOW, SHOW THE VIABILITY OF  
17           THEIR PRODUCT, THAT IT WAS INCLUDED IN A PRESTIGE  
18           PROJECT LIKE THIS.

19                   SO I THINK IT'S GOT GREAT SYNERGY,  
20           GREAT ABILITY TO ACCOMPLISH MANY, MANY THINGS AT  
21           ONCE, BUT DOCUMENTATION IS PRETTY CRUCIAL FROM THE  
22           GET GO FROM STEP ONE.

23                   MS. ELLMAN:   AND WE'D BE HAPPY TO ARRANGE  
24           TOURS FOR ANYONE WHO HASN'T SEEN IT.

25                   CHAIRMAN RELIS:   THANK YOU, J. P.   WELL,

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1       AT THIS TIME, THIS WAS AN INFORMATION ITEM. IT'S  
2       NOT AN ACTION ITEM. I BELIEVE WE'RE ON TRACK, AS  
3       MS. TRGOVCICH AND RICK MULLER HAD HAVE SAID, WE'LL  
4       BE ABLE TO MEET THE TIME LINES THAT ARE BEFORE US  
5       FOR L.A.

6               MS. TRGOVCICH: WE'LL CERTAINLY DO OUR  
7       BEST. I'D ALSO LIKE TO POINT OUT, RICK HAS ALSO  
8       ESTABLISHED A RELATIONSHIP WITH THE CLEAN  
9       WASHINGTON CENTER AROUND THIS PROJECT. AND SO  
10      WHERE WE MAY EXPERIENCE LIMITATIONS AS A STATE  
11      AGENCY, THEY MAY NOT NECESSARILY FEEL THAT THEY  
12      ARE UNDER THE SAME CONSTRAINTS, SO WE MAY BE ABLE  
13      TO ENCOURAGE THE EXCHANGE OF MORE SPECIFIC  
14      INFORMATION THAT MAY AID THIS PROJECT AS WELL.

15             CHAIRMAN RELIS: SO WE HAVE NOW  
16      FORMALLY -- WE ARE FORMALLY WORKING WITH THE CLEAN  
17      WASHINGTON CENTER?

18             MS. TRGOVCICH: I WOULDN'T NECESSARILY  
19      CALL IT FORMALLY. I THINK WHAT THEY'VE DONE IS  
20      THEY'VE PROVIDED US WITH A WEALTH OF INFORMATION  
21      OR AN IDENTIFICATION OF THE TYPES OF AREAS THAT  
22      THEY CAN ALSO PROVIDE FURTHER INFORMATION IN. AND  
23      WE'LL DO OUR BEST TO MAKE SURE THAT, YOU KNOW,  
24      WHERE IT IS THAT THEY CAN ASSIST AS WELL THAT WE

25        CAN GET THAT INFORMATION OUT.

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1                   CHAIRMAN RELIS:   WELL, IN CLOSING, I  
2       WOULD ALSO JUST ACKNOWLEDGE THE FINE CONTRIBUTION  
3       BY STAFF IN THIS EFFORT.   RICK AND OTHERS WHO  
HAVE  
4       WORKED DILIGENTLY WITH KELLY AND WITH THE MCGUIRE  
5       THOMAS PEOPLE, I THINK THEY'VE DONE A GREAT JOB  
IN  
6       TAKING IT THIS FAR.

7                   MS. TRGOVCICH:   I THINK IT'S IMPORTANT  
TO  
8       NOTE THAT AS A STATE AGENCY, YOU KNOW, I HATE TO  
9       KEEP REPEATING MYSELF, WE DO ENCOUNTER CERTAIN  
10      CONSTRAINTS THAT OTHER DO NOT.   SO THAT'S  
PROBABLY

11      BEEN OUR NO. 1 HURDLE.   THIS IS A NEW TYPE OF A  
12      PROJECT FOR US.   WE'VE NOT BEEN ASKED IN THE PAST  
13      TO PROVIDE THIS KIND OF SPECIFIC INFORMATION, AND  
14      IT'S BEEN A REAL LEARNING OPPORTUNITY FOR US WELL  
15      TO LEARN WHAT THE PARAMETERS ARE AND THE  
16      BOUNDARIES ARE AROUND WHAT WE CAN DO AS AN AGENCY  
17      AND THEN TO LEARN WHERE WE CAN GO TO FACILITATE  
AN  
18      EXCHANGE OF INFORMATION WHEN WE RUN UP AGAINST  
19      BARRIERS OURSELVES.

20                  CHAIRMAN RELIS:   OKAY.   THEN WE ARE NOW  
21      GOING TO MOVE ON TO THE PRESENTATION OF THE 1996

22 MARKET DEVELOPMENT PLAN IMPLEMENTATION STRATEGY.

23 MS. TRGOVCICH: THIS ITEM IS GOING TO BE

24 PRESENTED BY BILL HUSTON. I'D LIKE TO POINT OUT

25 FOR THE COMMITTEE THAT THIS IS A FOLLOW-ON TO THE



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1 BOARD -- COMMITTEE AND BOARD'S ADOPTION OF THE  
2 1996 MARKET DEVELOPMENT PLAN.

3 AT THE TIME OF THE ADOPTION, BOARD  
4 MEMBERS STRESSED A STRONG INTEREST AND DESIRE IN  
5 SEEING INFORMATION COME BACK TO THE COMMITTEE ON  
6 AN ONGOING BASIS AROUND THE IMPLEMENTATION OF THE  
7 PLAN. THIS WILL BE THE FIRST ITEM THAT YOU WILL  
8 SEE COMING BACK, AND IT'S MUCH MORE GENERIC IN  
9 NATURE AROUND WHAT WE ARE GOING TO BE DOING TO  
10 IMPLEMENT THE PLAN; BUT IN THE FUTURE MONTHS,  
11 WE'LL CERTAINLY BE REPORTING BACK TO YOU ON  
12 PROGRESS AS WELL AS WORKING WITH YOUR INDIVIDUAL  
13 OFFICES AROUND HOW TO EVALUATE WHETHER OR NOT  
OUR  
14 ACTIVITIES ARE EFFECTIVELY ACHIEVING WHAT WE  
WANT  
15 THEM TO ACHIEVE OR WHAT WE TARGETED THEM TO  
16 ACHIEVE AND ANY CHANGES THAT MAY NEED TO BE  
MADE.

17 MR. HUSTON: THANK YOU. GOOD MORNING,  
MY  
18 NAME IS BILL HUSTON. I'M WITH THE WASTE  
19 PREVENTION AND MARKET DEVELOPMENT DIVISION HERE  
AT  
20 THE BOARD. AS CAREN NOTED, THIS IS THE FIRST OF  
21 WHAT WE EXPECT TO BE MANY BRIEFINGS OF THE

22 COMMITTEE REGARDING THE IMPLEMENTATION OF THE  
23 BOARD'S 1996 MARKET DEVELOPMENT PLAN.  
24 IN FUTURE MONTHS WE FULLY INTEND  
TO  
25 KEEP THE BOARD AND COMMITTEE WELL ADVISED OF OUR

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1       IMPLEMENTATION STRATEGIES AND SUCCESSES THROUGH  
2       REGULAR MEETINGS WITH THE COMMITTEE MEMBERS,  
3       BRIEFINGS ON THE PART OF THE DEPUTY DIRECTOR IN  
4       HER REPORT TO YOU AT THE BEGINNING OF THE MARKET  
5       DEVELOPMENT COMMITTEE MEETINGS, MEMOS TO YOU, AND,  
6       AS APPROPRIATE, MORE FORMAL PRESENTATIONS SUCH AS  
7       THIS ONE.

8                       I'M PLEASED TO REPORT TO YOU THAT WE  
9       HAVE, IN FACT, BEGUN IMPLEMENTATION OF THE 1996  
10      MARKET DEVELOPMENT PLAN. WE HAVE ESTABLISHED AN  
11      INTERNAL WORKING GROUPING, INCLUDING  
12      REPRESENTATIVES OF EACH OF THE LINE DIVISIONS, THE  
13      LEGAL OFFICE, THE OFFICE OF PUBLIC AFFAIRS, THE  
14      OFFICE OF THE DIVISION OF ADMINISTRATION AND  
15      FINANCE, AND THE POLICY AND ANALYSIS OFFICE TO  
16      DEVELOP DETAILED WORK PLANS FOR THE STRATEGIES  
17      THAT ARE CONTAINED IN THE PLAN.

18                      A STEERING COMMITTEE HAS ALREADY  
19      IDENTIFIED THE LEADING SUPPORT UNITS FOR EACH OF  
20      PRIORITY ACTIONS, IDENTIFIED THE DELIVERABLES FOR  
21      EACH OF THOSE ACTIONS, AND ESTABLISHED A  
22      PRELIMINARY TARGET DATE TO COMPLETE EACH OF THOSE  
23      ACTIONS.

24                      THE INFORMATION THAT THE COMMITTEE

25 HAS DEVELOPED TO DATE IS ESSENTIALLY ATTACHMENT 1

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1       IN THE AGENDA ITEM BEFORE YOU TODAY.  IN ADDITION,  
2       STAFF RESPONSIBLE TO IMPLEMENT THE MARKET  
3       DEVELOPMENT PLAN ALSO SERVES ON THE REVIEW PANEL  
4       FOR THE MARKET DEVELOPMENT IDEAS THAT HAVE BEEN  
5       SUBMITTED THROUGH THE BOARD'S 50 PERCENT  
6       INITIATIVE.

7                       AND THROUGH THAT REVIEW AND,  
8       ALTHOUGH THE ACTIONS FROM THE INITIATIVE HAVE NOT  
9       YET BEEN PRESENTED TO THE BOARD, CERTAINLY THE  
10      IDEAS HAVE ORIGINATED FROM THE 50-PERCENT  
11      INITIATIVE ARE CONSISTENT WITH THE PRIORITY  
12      ACTIONS IN THE PLAN AND HAVE OFFERED ADDITIONAL  
13      STRATEGIES WHICH CAN BE INCORPORATED AS WE  
14      IMPLEMENT THE '96 PLAN.

15                     THERE'S STILL A FEW THINGS THAT WE  
16      HAVE ON THE BOARDS TO COMPLETE OVER THE NEXT  
17      SEVERAL WEEKS.  FIRST OF ALL, OUR IN-HOUSE  
18      STEERING COMMITTEE WILL COMPLETE THE WORK PLANS  
19      FOR EACH OF THE PRIORITY ACTIONS PRIMARILY TO  
20      IDENTIFY THE START DATES AND THE NEEDED RESOURCES  
21      FOR EACH ONE.  MANY OF THE ACTIONS HAVE ALREADY --  
22      ARE ALREADY UNDER WAY AS OUR CONTINUATION OF  
23      CURRENT EFFORTS.  OTHERS HAVE BEEN REDIRECTED AS  
24      APPROPRIATE TO REFLECT THE DIRECTION PROVIDED IN

25        THE PLAN.

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1                   ONE OF THE DIRECTIONS FROM THE  
2       COMMITTEE AT THE TIME THAT THE MARKET DEVELOPMENT  
3       PLAN WAS APPROVED WAS THAT STAFF TRACK THE STATE'S  
4       ABILITY AND SUCCESS TO MEET THE 50-PERCENT  
5       DIVERSION MANDATE, KEEP THE BOARD AND COMMITTEE  
6       WELL ADVISED OF HOW WE'RE DOING TOWARD STATEWIDE  
7       DIVERSION.

8                   I'D LIKE TO INTRODUCE PAT SCHIAVO,  
9       MANAGER OF THE WASTE CHARACTERIZATION AND ANALYSIS  
10      BRANCH, TO PRESENT THAT PORTION OF THIS ITEM.

11                  MR. SCHIAVO:   GOOD MORNING.   PAT SCHIAVO  
12      AS BILL MENTIONED.

13                  WE'RE COMMITTED TO WORKING WITH THE  
14      MARKET DEVELOPMENT STAFF TO TRY TO IMPLEMENT THIS  
15      PLAN.   AND THE MAJOR ELEMENTS THAT WE'LL BE  
16      WORKING WITH THEM ON ARE GOING TO REQUIRE US  
17      LOOKING AT DISPOSAL-BASED INFORMATION OR WHAT YOU  
18      WOULD DEFINE IN THE MARKET DEVELOPMENT PLAN AS  
19      SUPPLY INFORMATION.   AND SECONDARILY, WE'RE GOING  
20      TO BE LOOKING AT TO FIND OUT HOW MUCH MATERIAL  
21      WE'RE ACTUALLY DIVERTING AS PART OF THIS EFFORT.

22                  REGARDING DISPOSAL-BASED  
23      INFORMATION, WHAT THAT WILL REQUIRE US TO DO IS  
24      ENHANCE, AND WE'RE CONTINUING TO DO THAT, THE  
25      WASTE CHARACTERIZATION DATABASE THAT YOU'VE SEEN

1 IN THE PAST MONTHS BECAUSE THAT'S GONE BEFORE --  
2 YOU KNOW, IT'S BEEN SHOWN TO YOU AT VARIOUS TIMES,  
3 AND ALSO ENHANCE OUR EXISTING DISPOSAL REPORTING  
4 SYSTEM.

5 THEN SECONDARILY, WE'RE GOING TO BE  
6 WORKING ON LOOKING AT METHODOLOGY TO LOOK AT HOW  
7 WE'RE GOING TO TRACK DIVERSION, AND THAT'S GOING  
8 TO REQUIRE US TO LOOK AT A COUPLE OF DIFFERENT  
9 METHODOLOGIES, WHICH WILL RANGE FROM LOOKING AT  
10 BROADBASED EXTRAPOLATIONS OF DATA TO ACTUALLY  
11 CREATING DIVERSION TRACKING SYSTEMS.

12 SO THERE'S A WIDE RANGE OF OPTIONS.  
13 IT WILL PROBABLY TAKE US OVER THE NEXT COUPLE OF  
14 MONTHS TO FIGURE OUT WHICH WILL BE THE MOST  
15 FEASIBLE METHOD, AND WE'LL BRING THAT FORWARD TO  
16 YOU AND GET YOUR TAKE ON THAT. AND THAT'S PRETTY  
17 MUCH WHERE WE ARE RIGHT NOW. AS I MENTIONED,  
18 WE'RE COMMITTED TO WORKING WITH MARKET DEVELOPMENT  
19 STAFF ON IMPLEMENTATION OF THIS PLAN.

20 CHAIRMAN RELIS: ARE THERE ANY QUESTIONS?

21 MEMBER PENNINGTON: NO.

22 CHAIRMAN RELIS: THANK YOU VERY MUCH,  
23 PAT.

24 MS. TRGOVCICH: SO AS BILL INDICATED,  
25 THIS IS JUST THE FIRST IN A SERIES OF ITEMS THAT



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1 WE'LL BE BRINGING FORWARD TO YOU AROUND THE  
2 IMPLEMENTATION OF THE PLAN. IF YOU HAVE SPECIFIC  
3 QUESTIONS, WE'D BE CERTAINLY HAPPY TO ANSWER THEM.

4 CHAIRMAN RELIS: JUST AN OBSERVATION AT  
5 THIS POINT. I THINK THAT THIS IS THE KIND OF  
6 DETAIL THAT, I THINK, WE'VE BEEN LOOKING FORWARD  
7 TO GETTING. IT'S CRITICAL AS WE MOVE INTO THESE  
8 NEXT THREE OR SO YEARS ON THE PATH TO 50 PERCENT  
9 THAT WE HAVE AS CLEAR ASSESSMENT OF OUR PROGRESS,  
10 BOTH IN TERMS OF MATERIAL SPECIFIC SUPPLY  
11 INFORMATION, THE WHOLE WEAVING TOGETHER OF  
12 INFRASTRUCTURE AND ITS RELATIONSHIP TO DIVERSION,  
13 AND MARKET DEVELOPMENT. SO I THINK YOU'RE ON THE  
14 RIGHT PATH. WE'LL LOOK FORWARD TO REGULAR  
15 REPORTS.

16 MS. TRGOVCICH: WE'LL CERTAINLY BE  
17 BRINGING THAT BACK TO YOU, ESPECIALLY AS WE REACH  
18 MILESTONES OF SIGNIFICANCE WITHIN EACH OF THE  
19 ACTIVITIES THAT ARE LISTED.

20 CHAIRMAN RELIS: THANK YOU. OKAY. THAT  
21 BRINGS --

22 MEMBER PENNINGTON: I THINK THAT'S  
23 EXCELLENT.

24 CHAIRMAN RELIS: OKAY. CAREN, WOULD YOU

25

PLEASE...

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1                   MS. TRGOVCICH:   THE NEXT ITEM ON THE  
2   AGENDA IS CONSIDERATION OF THE REDESIGNATION OF  
3   THE CONTRA COSTA RECYCLING MARKET DEVELOPMENT ZONE  
4   TO INCLUDE THE CITY OF CONCORD.   STEVE BOYD IS  
5   GOING TO BE MAKING THIS PRESENTATION FOR YOU.

6                   MR. BOYD:   FOR THE RECORD, I AM STEVE  
7   BOYD WITH THE WASTE PREVENTION AND MARKET  
8   DEVELOPMENT DIVISION.   GOOD MORNING, CHAIRMAN  
9   RELIS AND COMMITTEE MEMBERS.

10                   THE BOARD APPROVED THE CONTRA COSTA  
11   RECYCLING MARKET DEVELOPMENT ZONE IN 1992 AT THE  
12   END OF THE FIRST DESIGNATION CYCLE.   THE CONTRA  
13   COSTA RECYCLING MARKET DEVELOPMENT ZONE IS NOW  
14   REQUESTING REDESIGNATION WHICH WOULD EXPAND THE  
15   ZONE TO INCLUDE THE CITY OF CONCORD.

16                   TITLE 14 OF THE CALIFORNIA CODE OF  
17   REGULATIONS REQUIRES THAT A RECYCLING MARKET  
18   DEVELOPMENT ZONE SUBMIT TO THE BOARD AN  
19   APPLICATION DESCRIBING PROPOSED CHANGES TO AN  
20   EXISTING ZONE PLAN.   BOARD ZONE STAFF IS NOW IN  
21   RECEIPT OF ALL THE CONTRA COSTA DOCUMENTS REQUIRED  
22   IN TITLE 14.

23                   THE EXPANSION OF THE CONTRA COSTA  
24   RECYCLING ZONE WAS ACTUALLY INITIATED ALMOST TWO  
25   YEARS AGO.   THE APPLICATION WAS DELAYED BY A

1       SERIES OF EVENTS, INCLUDING A FIRE AT THE CONCORD  
2       ADMINISTRATIVE OFFICE, THAT WERE BEYOND THE  
3       CONTROL OF THE ZONE. THANKS TO 1220 FUNDING, THE  
4       CONTRA COSTA ZONE IS THE PROCESS OF IMPLEMENTING A  
5       NEW AND IMPROVED ACTION PLAN THAT COINCIDES WITH  
6       THE EXPANSION APPLICATION.

7                       THE ADDITION OF THE CITY OF CONCORD  
8       TO THE CONTRA COSTA RECYCLING MARKET DEVELOPMENT  
9       ZONE WILL ENHANCE THE ZONE'S EFFECTIVENESS.

10       CONCORD IS THE LARGEST CITY IN CONTRA COSTA COUNTY  
11       AND CONTAINS NEARLY 3,000 ACRES OF INDUSTRIAL  
12       ZONED PROPERTY. IT ALSO GENERATES THE AREA'S  
13       LARGEST SUPPLY OF RECYCLED PLASTIC FEEDSTOCK AND  
14       SIGNIFICANT QUANTITIES OF OTHER MATERIALS.

15                      THE ADDITION OF A NEW TRANSFER  
16       STATION IN NEARBY PITTSBURG SHOULD ENHANCE THE  
17       AVAILABILITY OF ALL RECYCLED MATERIALS WITHIN THE  
18       AREA. THE CITY OF CONCORD OFFERS A WIDE RANGE OF  
19       BUSINESS INCENTIVES, INCLUDING PERMIT ASSISTANCE,  
20       FEEDSTOCK IDENTIFICATION, SITING ASSISTANCE, JOB  
21       TRAINING, AND ECONOMIC AND DEMOGRAPHIC DATA.  
22       INCORPORATION OF CONCORD INTO THE CONTRA COSTA  
23       RECYCLING MARKET DEVELOPMENT ZONE WILL STRENGTHEN  
24       THE ZONE'S ABILITY TO ATTRACT AND DEVELOP

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25 RECYCLING BASED INDUSTRIES.

1                   STAFF RECOMMENDS THAT THE COMMITTEE  
2   APPROVE AND FORWARD TO THE BOARD THE CONTRA COSTA  
3   RECYCLING MARKET DEVELOPMENT ZONE'S REQUEST FOR  
4   REDESIGNATION TO INCLUDE THE CITY OF CONCORD.  AND  
5   WHILE I'VE ONLY BEEN THEIR LIAISON FOR A SHORT  
6   PERIOD OF TIME, I WOULD BE HAPPY TO ANSWER ANY  
7   QUESTIONS YOU MAY HAVE.

8                   MEMBER CHESBRO:  THIS DOESN'T REFLECT ON  
9   WHETHER OR NOT WE SHOULD APPROVE IT.  I'M IN FAVOR  
10  OF THE EXPANSION.  BUT I WAS CURIOUS.  THERE'S  
11  BEEN A CHANGE -- APPARENT ADMINISTRATION OF THE  
12  ZONE PREVIOUSLY.  AT LEAST LAST TIME I REMEMBERED  
13  HAVING CONTACT DIRECTLY WITH THEM THAT IT WAS  
14  CONTRA COSTA COUNTY STAFF, AND NOW THE -- IT  
15  REFERS TO THE CONTRA COSTA ECONOMIC PARTNERSHIP IN  
16  LETTERS FROM THE CITY OF PITTSBURG.  SO CAN YOU  
17  SORT OF GIVE ME SOME SENSE OF WHAT'S HAPPENING  
18  WITH THE ADMINISTRATION OF THE ZONE?

19                  MR. BOYD:  WELL, YEAH.  THEY FORMED A JPA  
20  TYPE OF ORGANIZATION NOW TO ADMINISTER THE ZONE.  
21  THEY'RE IN THE FINAL CONTRACT DEVELOPMENT, WHICH  
22  WILL ACTUALLY INCLUDE A FUNDING ELEMENT FROM ALL  
23  THE JURISDICTIONS, IN ORDER TO FUND AN OFFICIAL  
24  ZONE ADMINISTRATOR.

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25

MEMBER CHESBRO: OKAY. GOOD. SO IT'S

52

1       ACTUALLY AN ENHANCEMENT OF THE LEVEL OF RESOURCES  
2       THAT WILL BE -- LOCAL RESOURCES THAT WILL BE  
3       APPLIED TO THE ZONE ACTIVITIES?

4               MR. BOYD:   YEAH, THAT'S CORRECT.   IT  
5       WON'T BE INFORMALLY DONE AS IT'S BEEN DONE IN THE  
6       PAST.

7               CHAIRMAN RELIS:   IS THERE ANYONE HERE  
8       FROM CONTRA COSTA COUNTY?

9               MR. BOYD:   NOT AT THIS POINT.   THE ZONE  
10      ADMINISTRATOR THAT'S THERE RIGHT NOW HAD A  
11      CONFLICT, BUT SAID THAT HE WOULD BE MORE THAN  
12      WILLING TO SET THE BOARD AGENDA TIME ASIDE IF  
13      THERE WERE QUESTIONS THAT HE NEEDED TO ANSWER.

14              MEMBER CHESBRO:   I STILL DON'T HAVE ANY  
15      QUESTIONS ABOUT THE APPLICATIONS.   IT SEEMS LIKE  
16      THERE'S GOOD RATIONALE AND IT WILL ADD INDUSTRIAL  
17      ZONE LAND AND INCREASE THE POSSIBILITY OF  
18      ATTRACTING ADDITIONAL BUSINESSES TO THE COUNTY  
19      THROUGH THE ZONE PROGRAMS.

20              CHAIRMAN RELIS:   OKAY.   THIS IS A  
21      CONSIDERATION ITEM.   IF WE HAVE A MOTION.

22              MEMBER PENNINGTON:   CERTAINLY.   I'LL  
MOVE  
23      STAFF RECOMMENDATION.

24              MEMBER CHESBRO:   SECOND.

25              CHAIRMAN RELIS:   IT'S BEEN MOVED BY MR.



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1 PENNINGTON AND SECONDED BY MR. CHESBRO FOR THE --  
2 THIS RESOLUTION 96-457. SO WE'LL CALL THE ROLL.

3 THE SECRETARY: MEMBER CHESBRO.

4 MEMBER CHESBRO: AYE.

5 THE SECRETARY: MEMBER PENNINGTON.

6 MEMBER PENNINGTON: AYE.

7 THE SECRETARY: CHAIRMAN RELIS.

8 CHAIRMAN RELIS: AYE.

9 THAT BRINGS US TO AGENDA ITEM 5,  
10 CONSIDERATION OF APPROVAL OF RECYCLING MARKET  
11 DEVELOPMENT ZONE LOAN APPLICATION.

12 MS. TRGOVCICH: MR. CHAIRMAN, IF I CAN  
13 JUST ASK, WOULD YOU LIKE THAT ITEM PLACED ON THE  
14 CONSENT, THE LAST ITEM?

15 CHAIRMAN RELIS: YES, ON CONSENT.

16 MS. TRGOVCICH: THE LOAN THAT WILL BE  
17 PRESENTED TO YOU BY BOB CAPUTI IS A LOAN FOR  
18 LIONUDAKIS WOOD AND GREEN WASTE RECYCLING. THIS  
19 LOAN WAS ORIGINALLY HEARD BY THE LOAN COMMITTEE  
20 BACK IN SEPTEMBER AND WAS BROUGHT BACK BECAUSE OF  
21 ADDITIONAL INFORMATION THAT WAS REQUESTED.

22 BEFORE BOB GETS INTO THE  
23 PRESENTATION, I'D JUST TO BRIEFLY, VERY BRIEFLY  
24 FOR YOU REVISIT AN ISSUE THAT HAS COME UP ON THIS  
25 LOAN AND OTHER LOANS IN THE PAST WHERE THEY ARE

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1 GREEN WASTE RELATED LOANS. AND THAT IS WITH  
2 RESPECT TO THE BOARD'S PERMITTED PRACTICES AROUND  
3 THESE FACILITIES. THERE MAY HAVE BEEN SOME  
4 CONFUSION IN THE ITEM ITSELF OVER THE WRITEUP ON  
5 PAGE 39 WHERE WE INDICATE THAT THIS PARTICULAR  
6 PROJECT IS NOT AFFECTED BY THE BOARD'S PERMITTING  
7 REQUIREMENTS.

8 I KNOW SOME ISSUES HAVE BEEN RAISED  
9 AROUND THAT. I'D JUST LIKE TO POINT OUT FOR THE  
10 RECORD THAT WHAT IS BEFORE IS A LOAN, AND WHAT IS  
11 MOST IMPORTANT TO US WHEN WE BRING LOANS FORWARD  
12 IS ARE THOSE RECIPIENTS IN COMPLIANCE WITH ANY  
13 PERMITTING REQUIREMENTS.

14 THIS PARTICULAR WORDING IS NOT AT  
15 ALL INTENDED TO REFLECT ANY OTHER GENERAL  
16 INSPECTION OVERSIGHT THAT EITHER THIS BOARD OR THE  
17 LEA MAY HAVE OVER THESE FACILITIES, BUT IT SIMPLY  
18 RELATES TO ANY PERMITTING REQUIREMENTS THAT MAY  
19 NEED TO BE ADHERED TO FOR PURPOSES OF LOAN  
20 CLOSING.

21 SO WITH THAT, I'D LIKE TO TURN THIS  
22 OVER TO BOB CAPUTI.

23 MR. CAPUTI: CHAIRMAN RELIS, COMMITTEE  
24 MEMBERS. THE APPLICANT IS PHILLIP LIONUDAKIS  
25 DOING BUSINESS AS LIONUDAKIS WOOD AND GREEN WASTE

1 RECYCLING.

2 THE PROJECT IS LOCATED IN THE  
3 SACRAMENTO RMDZ, AND THE LOAN AMOUNT IS \$633,300.  
4 MR. LIONUDAKIS IN 1992 BEGAN AN AGRI  
5 TRANSPORTATION BUSINESS. WITHIN THE LAST 12  
6 YEARS, HE HAS EXPANDED THE BUSINESS TO INCLUDE  
7 ORCHARD REMOVAL, FIREWOOD SALES, AND GREEN WASTE  
8 PROCESSING.

9 SINCE 1994, MR. LIONUDAKIS HAS  
10 PROCESSED THE CITY OF MODESTO'S GREEN WASTE OF  
11 APPROXIMATELY 16,000 TONS PER YEAR. HE HAS  
12 RECENTLY BEEN AWARDED A FIVE-YEAR EXCLUSIVE  
13 CONTRACT TO PROCESS 45,000 TONS OF GREEN WASTE  
FOR  
14 SACRAMENTO COUNTY. THE CONTRACT WILL BEGIN MARCH  
15 OF 1997.

16 SACRAMENTO COUNTY WILL DELIVER  
17 UNPROCESSED GREEN WASTE COLLECTED FROM THE COUNTY  
18 RESIDENTS TO MR. LIONUDAKIS' LOCATION IN  
19 SACRAMENTO. MR. LIONUDAKIS WILL SCREEN AND CHIP  
20 THE GREEN WASTE WITHIN 72 HOURS, SHIP THE  
21 PROCESSED WASTE TO SCOTTS HYPONEX IN LINDEN,  
22 CALIFORNIA, WHERE IT WILL BE COMPOSTED.

23 AS STATED EARLIER, THE PROJECT WILL

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24        DIVERT 45,000 TONS OF GREEN WASTE ANNUALLY AND  
25        WILL CREATE FIVE NEW JOBS.    THE LOAN FUNDS WILL  
BE

1       USED FOR THE PURCHASE OF LAND, IMPROVEMENTS,  
2       FURNITURE AND FIXTURE, AND EQUIPMENT. AS CAREN  
3       SAID, IT HAS BEEN APPROVED BY THE LOAN COMMITTEE.

4                   ARE THERE ANY QUESTIONS?

5           CHAIRMAN RELIS: ANY QUESTIONS?

6           MEMBER PENNINGTON: I'LL MOVE THE ITEM.

7           CHAIRMAN RELIS: MOVED BY MR.

PENNINGTON.

8           MEMBER CHESBRO: SECOND.

9           CHAIRMAN RELIS: SECONDED BY MR.

CHESBRO.

10       WE'LL CALL THE ROLL.

11           THE SECRETARY: MEMBER CHESBRO.

12           MEMBER CHESBRO: AYE.

13           THE SECRETARY: MEMBER PENNINGTON.

14           MEMBER PENNINGTON: AYE.

15           THE SECRETARY: CHAIRMAN RELIS.

16           CHAIRMAN RELIS: AYE. WE'LL MAKE THIS A  
17       CONSENT ITEM.

18           MEMBER CHESBRO: NOW THAT IT'S PASSED,  
19       LET ME ASK. I OBVIOUSLY DIDN'T HAVE ANY DOUBTS  
20       ABOUT FUNDING IT, BUT I WAS JUST CURIOUS ABOUT  
21       THE

22       RATIONALE. THEY ARE CONSIDERED TO BE PRODUCING A  
23       PRODUCT EVEN THOUGH THEY'RE SHIPPING SOMETHING TO  
24       A FURTHER STEP IN THE MANUFACTURING PROCESS?

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24 MR. CAPUTI: YES. IT'S LIKE THE PLASTIC  
25 PELLETTIZERS. THE TEST IS THAT THEY CHANGE THE

1 MATERIAL, NOT JUST REBUNDLE IT. IN THIS CASE  
2 THEY'RE SHREDDING IT. SAME THING WITH THE  
3 PELLETIZERS. AND THEN THEY'RE DOING MOLECULAR  
4 CHANGE. THAT'S OUR RULE OF THUMB IS THERE'S SOME  
5 KIND OF MOLECULAR CHANGE WHERE VALUE IS ADDED IN  
6 THE PROCESS.

7 MEMBER CHESBRO: OKAY.

8 CHAIRMAN RELIS: THEY'RE, IN EFFECT,  
9 MAKING IT READY TO COMPOST.

10 MR. CAPUTI: RIGHT. AND ULTIMATELY THEY  
11 WANT TO GO INTO COMPOSTING THEMSELVES DOWN THE  
12 ROAD AND IS VERY PROACTIVE IN THIS AREA, AND IT'S  
13 REALLY A GOOD LOAN FOR WHAT WE'RE TRYING TO  
14 ACCOMPLISH.

15 MEMBER CHESBRO: I DIDN'T ASK IT TO CAUSE  
16 ANY DOUBTS ABOUT IT. I JUST WANTED SOME  
17 CLARIFICATION. I PRETTY MUCH KNEW THAT WAS THE  
18 CASE. I JUST WANTED TO BE REFRESHED ON IT.

19 MS. TRGOVCICH: JUST TO PROVIDE YOU MAYBE  
20 WITH SOME INFORMATION, I'LL ASK ROMA, WHO'S THE  
21 LOAN OFFICER ON THIS PARTICULAR LOAN, MAYBE TO  
22 COME BY YOUR OFFICES IN THE COMING WEEK. THERE'S  
23 ACTUALLY SOME VERY GOOD AERIAL PICTURES OF THIS  
24 PARTICULAR FACILITY, WHICH I THINK REALLY CAPTURE



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25       WHAT IT IS THAT MR. LIONUDAKIS IS DOING AND WHERE

1 HE'S GOING WITH IT. AND I'LL ASK HER IF SHE CAN  
2 GET A HOLD OF THOSE AGAIN. THEY WERE PRESENTED  
AT  
3 THE LOAN COMMITTEE MEETING YESTERDAY AND BRING  
4 THEM BY YOUR OFFICES. IT ALSO MAY BE AN  
5 OPPORTUNITY FOR EACH OF YOU TO GO DOWN AND VISIT  
6 HIS FACILITY. IT LOOKS LIKE AN EXTREMELY WELL-  
RUN  
7 OPERATION.

8 CHAIRMAN RELIS: I HEARD THE LOAN  
9 COMMITTEE TOOK ALL OF A FEW MINUTES TO PASS ON  
10 THIS, SO IT ATTESTS TO, I THINK, THAT THIS IS  
11 SOLID LOAN.

12 GOOD. LET'S MOVE ON.

13 MEMBER PENNINGTON: I'D LIKE TO SEE THE  
14 PICTURES BECAUSE THROUGH PICTURES IS THE ONLY WAY  
15 I CAN SEE IT FROM THE AIR.

16 CHAIRMAN RELIS: FOR THOSE WHO DON'T  
KNOW

17 MR. PENNINGTON'S TRAVEL HABITS, HE DOESN'T LIKE  
18 FLYING.

19 WE'LL TAKE A FIVE-MINUTE BREAK.

20 (RECESS TAKEN.)

21 CHAIRMAN RELIS: I'D LIKE TO CALL BACK

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TO

22 ORDER THE MARKET DEVELOPMENT COMMITTEE.

23 MEMBER PENNINGTON: MR. CHAIRMAN, I'D

24 LIKE TO REPORT AN EX PARTE. MR. JERRY HAYES

SPOKE

25 TO ME ABOUT THE VARIANCE AND THE TRASH BAG

1 SITUATION.

2 CHAIRMAN RELIS: YES. I HAD A SIMILAR  
3 DISCUSSION, SO I'LL NOTE THAT AS WELL. MR.  
4 CHESBRO. OKAY. OKAY.

5 WE'RE ON THE ITEM 6, CONSIDERATION  
6 OF ADOPTION OF THE PROPOSED CHANGES TO THE  
7 RECYCLED-CONTENT TRASH BAG REGULATIONS PERTAINING  
8 TO THE PETITION FOR VARIANCE FOR ADHESIVE HEAT  
9 AFFIXED STRAP BAGS.

10 MS. TRGOVCICH: MR. CHAIRMAN, I'M AFRAID  
11 I'LL HAVE TO SAY I'M AT A LOSS. I THINK THAT THE  
12 STAFF EXPECTED THE BREAK TO BE A MINUTE OR TWO  
13 LONGER.

14 CHAIRMAN RELIS: GEE, I THOUGHT WE  
15 ALREADY WERE LONGER.

16 MS. TRGOVCICH: THEY SHOULD BE HERE AT  
17 ANY POINT.

18 CHAIRMAN RELIS: WHO ARE WE LOOKING FOR?

19 MS. TRGOVCICH: JERRY HART. I JUST  
20 CALLED AND LEFT A MESSAGE. I APOLOGIZE FOR THIS  
21 INCONVENIENCE. IF WE CAN HOLD FOR ABOUT 30  
22 SECONDS.

23 CHAIRMAN RELIS: WE'RE READY TO ROLL.

24 MS. TRGOVCICH: ANYWAY, THE ITEM BEFORE  
25 YOU, AS YOU DESCRIBED, MR. CHAIRMAN, IS

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1       CONSIDERATION OF ADOPTION OF THE PROPOSED CHANGES  
2       TO THE RECYCLED-CONTENT TRASH BAG REGULATIONS  
3       PERTAINING TO THE PETITION FOR A VARIANCE FOR  
4       ADHESIVE HEAT AFFIXED STRAP BAGS.

5                       WE'RE GOING IN THE NORMAL ORDER,  
6       YES.

7                       THE ITEM THAT WILL BE PRESENTED TO  
8       YOU BY JERRY HART WILL INCLUDE AN OVERVIEW OF THE  
9       PROPOSED REGULATIONS, THE PROCESS THAT WE WENT  
10      THROUGH, AND A PRESENTATION ON AT LEAST WHAT WE'VE  
11      DERIVED THUS FAR FROM THE COMMENTS RECEIVED TO  
12      DATE.   JERRY.

13                      MR. HART:   THANK YOU, CAREN.   GOOD  
14      MORNING, COMMITTEE MEMBERS, CHAIRMAN RELIS.   MY  
15      NAME IS JERRY HART.   I'VE BEEN WORKING ON THE  
16      TRASH BAG PROGRAM SINCE ITS IN EXCEPTION IN 1991.  
17      LAST YEAR WE HAD A REVISION TO THE STATUTE THAT  
18      ADDED AN EXEMPTION FOR HEAT AFFIXED STRAP BAGS.

19                      THE STATUTE ALSO REQUIRES ANYONE  
20      PETITIONING FOR A VARIANCE TO COME BEFORE  
THE  
21      BOARD TO HAVE THAT VARIANCE HEARD.   IN  
RESPONSE TO

22      THAT LEGISLATIVE CHANGE, STAFF PROVIDED A  
DRAFT

23      LIST OF EVIDENCE AND CRITERIA FOR THE

COMMITTEE TO

24        CONSIDER TO ASSIST IN THE EVALUATION OF THAT

25        PETITION.

1                   THE DRAFT LIST OF EVIDENCE AND  
2       CRITERIA CAME BEFORE THE MARKET DEVELOPMENT  
3       COMMITTEE IN SEPTEMBER AND WAS FORWARDED TO THE  
4       BOARD FOR CONSIDERATION.   IN THE STAFF  
5       RECOMMENDATION WAS A DUAL PROCESS TO ADOPT THE  
6       LIST OF EVIDENCE AND THE CRITERIA BOTH AS A POLICY  
7       TO BE USED TO ASSIST THE BOARD IN MAKING A  
8       DECISION ON THE VARIANCE BEFORE THEM, THE PETITION  
9       BY IRONCLAD, AS WELL AS UNDERTAKING THE RULEMAKING  
10      PROCESS TO CONCURRENTLY ADOPT THE LIST AND THE  
11      CRITERIA IN REGULATIONS.

12                  AT THE SEPTEMBER BOARD MEETING, AT  
13      THE REQUEST OF IRONCLAD, THE PETITIONER, THE ITEM  
14      WAS TAKEN OFF THE CONSENT CALENDAR.   AND THE  
15      RESULTING HEARING ON THAT ITEM ENDED UP WITH THE  
16      REMOVAL OF THE CONSIDERATION OF A POLICY STATEMENT  
17      OR A BOARD POLICY TO USE THE LIST AND THE CRITERIA  
18      AND ONLY DIRECTION FOR STAFF TO GO AHEAD AND BEGIN  
19      THE RULEMAKING PROCESS TO ADOPT THE LIST AND THE  
20      CRITERIA INTO THE EXISTING TRASH BAG REGULATIONS.

21                  IN RESPONSE TO THAT BOARD DIRECTIVE,  
22      WE BEGAN THE RULEMAKING PROCESS.   THE PUBLIC  
23      COMMENT PERIOD WAS BEGUN ON SEPTEMBER 20TH AND  
24      CONCLUDED YESTERDAY, NOVEMBER 6TH, AT 4 O'CLOCK.

25                  YESTERDAY STAFF RECEIVED THREE OF

1 THE FOUR COMMENT LETTERS ON THE PROPOSED  
2 REGULATIONS, SOME OF THEM RIGHT UP TO THE LAST  
3 MINUTE. IN FACT, TODAY I GOT A COPY OF A LETTER  
4 THAT WAS SUBMITTED BEFORE THE TIME LINE YESTERDAY.  
5 BECAUSE OF THAT, PARTIALLY BECAUSE OF THAT, I'M  
6 NOT PREPARED TO BE ABLE TO PROVIDE A DETAILED  
7 SUMMARY OF ALL THE COMMENTS RECEIVED AND -- OR  
8 SUGGESTED RESPONSES AND ACTION ON WHETHER TO GO  
9 AHEAD AND ADOPT ANY OF THOSE COMMENTS OR WHETHER  
10 NOT TO ADOPT THEM. I JUST HAVEN'T HAD THE TIME TO  
11 DO A REAL DETAILED ANALYSIS ON THE COMMENTS  
12 SUBMITTED.

13 WHAT I HAVE BEEN ABLE TO DO AND WHAT  
14 I'D LIKE TO PRESENT TO YOU TODAY, THOUGH, IS A  
15 GROUPING OF THE COMMENTS INTO SOME BROAD  
16 CATEGORIES, IF YOU WILL, BROADER ISSUES THAT THE  
17 COMMENTS, AGAIN BASED UPON A FIRST-TIME THROUGH  
18 THE LETTER, SEEM TO FALL.

19 AGAIN, BASED ON A FIRST-TIME THROUGH  
20 THE FOUR COMMENT LETTERS, I'VE SUMMARIZED THE  
21 COMMENTS INTO THESE FIVE OR SIX GENERAL  
22 CATEGORIES. THE FIRST ISSUE THAT WAS RAISED IN  
23 THE COMMENT LETTERS IS WHETHER THE BOARD HAS THE  
24 AUTHORITY TO PROMULGATE REGULATIONS REGARDING  
THE  
25 TRASH BAG PROGRAM.



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1                   THE SECOND ISSUE IS WHETHER THE  
2 BOARD FEELS IT'S NECESSARY TO PROMULGATE  
3 REGULATIONS TO MAKE THE DETERMINATION ON A  
4 PETITION FOR THE VARIANCE.

5                   THE THIRD KIND OF GENERAL CATEGORY  
6 IS WHETHER THE BOARD IS LIMITED TO CONSIDERING  
7 ONLY TWO ISSUES IN MAKING THEIR DETERMINATION ON  
8 THE PETITION FOR THE VARIANCE, WHETHER BAGS --  
9 THESE HEAT AFFIXED STRAP-TYPE BAGS WERE  
10 MANUFACTURED PRIOR TO 1-1-95 AND WHETHER THERE'S  
11 TECHNOLOGICAL CONSIDERATIONS THAT MAKE IT  
12 DIFFICULT OR IMPOSSIBLE TO USE POSTCONSUMER  
13 MATERIAL IN THIS TYPE OF TRASH BAG.

14                  ANOTHER ISSUE THAT CAME UP IS  
15 WHETHER REGULATED TRASH BAG MANUFACTURERS ARE  
16 ALLOWED TO COMPLY WITH THE USE REQUIREMENT WITH  
17 THIS ANNUAL AGGREGATE USE, WHETHER THE BOARD IS  
18 ABLE TO USE INFORMATION THAT MAY BE CONSIDERED BY  
19 THE BOARD AS BEING CONFIDENTIAL IN THEIR  
20 EVALUATION OF THE PETITION FOR A VARIANCE.

21                  THE LAST ITEM IS WHETHER THE  
22 ADDITION OF -- ONE OF THE LETTERS SUGGESTED THE  
23 ADDITION OF AN ITEM IN THE LIST OF EVIDENCE WHICH  
24 CALLS FOR MORE SPECIFIC EMPIRICAL DATA IN THE LIST  
25 OF EVIDENCE FOR THE BOARD, AGAIN, TO EVALUATE IN

1 MAKING THEIR DETERMINATION.

2 TWO OF THE LETTERS I DIDN'T SEE TILL  
3 THIS MORNING INCLUDED SOME SUPPORT FOR THE LIST OF  
4 EVIDENCE AND THE CRITERIA. AGAIN, A RECOMMEN-  
5 DATION THAT WE ADOPT, THIS SIXTH COMMENT SUBMITTED  
6 BY TENNECO PACKAGING, THAT WE AGAIN ASK FOR MORE  
7 EMPIRICAL DATA REGARDING THE EFFECTS OF USING  
8 POSTCONSUMER MATERIAL IN THESE HEAT AFFIXED  
9 STRAP-TYPE BAGS.

10 WITH THAT, I'D LIKE TO TURN IT OVER  
11 FOR CONSIDERATION. I -- AGAIN, I KNOW THIS IS A  
12 FIRST TIME THROUGH OF THE LETTERS. MOST OF THE  
13 FOLKS THAT SUBMITTED LETTERS ARE HERE, SO  
14 CERTAINLY THEY CAN CLARIFY ANY OF THESE COMMENTS  
15 OR PERHAPS PROVIDE THE COMMITTEE WITH SOME  
16 CLARIFICATION OF THEIR COMMENTS SUBMITTED TO DATE.

17 CHAIRMAN RELIS: OKAY.

18 MS. TRGOVCICH: MR. CHAIRMAN, BEFORE YOU  
19 GO INTO THAT, MAYBE JUST TO POINT OUT AS WELL, I  
20 THINK JERRY'S DONE A GOOD JOB IN AN EXTREMELY  
21 SHORT PERIOD OF TIME TO KIND OF GROUP THE COMMENTS  
22 INTO OVERARCHING CATEGORIES. WE'RE HAVING COPIES  
23 MADE OF THAT SHEET RIGHT NOW, SO WE'LL BRING THAT  
24 IN FOR BOTH YOU AS WELL AS THE AUDIENCE TO HAVE IN  
25 HAND AS THEY GET UP AND PRESENT THEIR TESTIMONY TO

1       YOU.

2                       I THINK IT'S IMPORTANT TO NOTE, AS  
3       YOU GO THROUGH THE COMMENTS AND AS YOU HEAR  
4       TESTIMONY ON THE COMMENTS, WHICH OF THOSE COMMENTS  
5       PERTAIN TO THE SPECIFIC REGULATORY PACKAGE BEFORE  
6       YOU FOR CONSIDERATION, WHICH COMMENTS AFFECT  
7       SPECIFIC ELEMENTS OF THE REGULATORY PACKAGE BEFORE  
8       YOU, AND WHICH OF THOSE COMMENTS REFLECT A BROADER  
9       QUESTION AROUND THE BOARD'S ABILITY TO PROMULGATE,  
10      REGULATE, AND MAYBE LIMITATIONS THAT MAY EXIST IN  
11      THAT REGARD.

12                      I THINK, AS STAFF, ONE OF THE THINGS  
13      THAT WE FEEL IS NECESSARY IS TO DISTINGUISH  
14      BETWEEN COMMENTS PERTAINING TO THE REGULATIONS  
15      THEMSELVES AND THEN COMMENTS PERTAINING TO THE  
16      BROADER QUESTION AROUND THE BOARD'S ABILITY TO  
17      PROMULGATE REGULATIONS.

18                      CHAIRMAN RELIS: I HAVE ONE REQUEST TO  
19      SPEAK. I WONDER IF THERE ARE OTHERS. IF YOU DO  
20      WISH TO SPEAK ON THIS OR THE NEXT ITEM, PLEASE  
21      FILL OUT A SPEAKER SLIP AT THE REAR AND BRING IT  
22      FORWARD.

23                      SO, GENE LIVINGSTON, REPRESENTING  
24      IRONCLAD, WOULD YOU PLEASE COME FORWARD.

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25

MR. LIVINGSTON: CHAIRMAN RELIS, MEMBERS

66

1       OF THE COMMITTEE, MY NAME IS GENE LIVINGSTON. I'M  
2       WITH LIVINGSTON & MATTESICH, AND WE REPRESENT  
3       IRONCLAD.

4                       I THINK MY COMMENTS WOULD BE MORE  
5       DIRECTED TOWARD QUESTIONS THAT THE BOARD MEMBERS  
6       MIGHT HAVE AND THE DIRECTION YOU MIGHT LIKE TO GO.  
7       THE -- OUR COMMENTS BASICALLY RAISED TWO OR THREE  
8       QUESTIONS. THE FIRST QUESTION IS WHETHER ANY  
9       REGULATIONS ARE NEEDED AT ALL. IT SEEMS TO US  
10      THAT THE STATUTE SETS OUT FAIRLY EXPLICITLY THE  
11      TWO FACTORS THAT NEED TO BE ESTABLISHED IN  
12      DETERMINING WHETHER TO GRANT A VARIANCE.

13                     AND THAT IS, AS MR. HART INDICATED,  
14      FIRST, WHETHER THE APPLICANT WAS MANUFACTURING  
15      STRAP BAGS JANUARY 1, 1995, AND THEN, SECONDLY,  
16      WHETHER, BECAUSE OF TECHNOLOGICAL LIMITATIONS, YOU  
17      CANNOT USE POSTCONSUMER RECYCLED CONTENT IN THE  
18      TRASH BAGS AND AFFIX THE STRAPS.

19                     THE STATUTE SPECIFIES THOSE TWO  
20      FACTORS. THE REGULATIONS DON'T ADD ANYTHING WITH  
21      RESPECT TO THOSE TWO FACTORS. IT REPEATS THE  
22      FIRST FACTOR AND TENDS NOT TO SAY ANYTHING ABOUT  
23      THE SECOND FACTOR. BUT THE REGULATIONS -- THE  
24      PROPOSED REGULATIONS MORE ADDRESS THE ISSUE ABOUT

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25           WHETHER IRONCLAD COULD USE INCREASED QUANTITIES OF

1 POSTCONSUMER RECYCLED CONTENT IN THEIR NONSTRAP  
2 BAGS AND SOMEHOW ACHIEVE THE ANNUAL AGGREGATE  
3 LEVEL OF 30 PERCENT IN 1997.

4 AND AS WE READ THE STATUTE, THAT  
5 DOESN'T SEEM TO BE A FACTOR AT ALL IN THIS BOARD'S  
6 CONSIDERATION AS TO WHETHER TO GRANT A VARIANCE OR  
7 NOT. SO AS A CONSEQUENCE, OUR CONCLUSION IS THAT  
8 THOSE FACTORS ARE INCONSISTENT WITH THE STATUTE.

9 AND THEN THE THIRD POINT IS, AS MR.  
10 HART INDICATED, IS THAT -- IS THAT THE EVIDENCE  
11 THAT THE PROPOSED REGULATIONS AND THE CRITERIA  
12 FOCUS ON WOULD REQUIRE US TO SUBMIT BASICALLY  
13 SALES DATA, AS WELL AS INFORMATION ABOUT OUR  
14 SUPPLIERS. AND AS YOU WILL HEAR IN THE NEXT  
15 AGENDA ITEM, THE STAFF HAS CONCLUDED THAT THAT  
16 KIND OF INFORMATION IS PROPRIETARY AND SHOULD BE  
17 TREATED CONFIDENTIALLY.

18 SO IT SEEMED THAT IT MAKES SENSE TO  
19 CONSTRUE THE STATUTE LITERALLY, LIMIT THE EVIDENCE  
20 TO THE TWO FACTORS, AND NOT GO BEYOND THAT,  
21 PARTICULARLY WHERE GOING BEYOND IT WOULD REQUIRE  
22 US TO REVEAL PROPRIETARY, CONFIDENTIAL  
23 INFORMATION.

24 OUR CONCERN, ALSO, IS THAT WE'RE  
25 DRAWING CLOSE TO THE END OF 1996. THE STATUTORY



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1       EXEMPTION ENDS.  AND WE NEED SOME DIRECTION FROM  
2       THIS BOARD ABOUT HOW IT PLANS TO PROCEED IN  
3       CONDUCTING A HEARING ON OUR VARIANCE APPLICATION  
4       AND WHAT THE CONSEQUENCES MAY BE IF, FOR EXAMPLE,  
5       HEARING IS NOT CONDUCTED UNTIL SOMETIME AFTER  
6       JANUARY 1, 1997, PARTICULARLY IF YOU DECIDE TO GO  
7       AHEAD WITH REGULATIONS.

8                       AND WITH RESPECT TO THAT ISSUE, IF  
9       YOU DECIDE TO GO AHEAD WITH REGULATIONS, IT SEEMS  
10      TO ME THAT THE FOCUS SHOULD BE THE TWO FACTORS AND  
11      SOME SORT OF PROCESS.  AND PARTICULARLY, AS MR.  
12      HART HAS ALSO INDICATED, THAT IF YOU WOULD REQUIRE  
13      US TO SUBMIT PROPRIETARY INFORMATION, HOW CAN THE  
14      BOARD PROTECT CONFIDENTIALITY OF THAT, TAKE THAT  
15      INTO CONSIDERATION IN MAKING ITS DECISION, AND DO  
16      THAT CONSISTENTLY WITH THE STATUTE THAT REQUIRES A  
17      PUBLIC HEARING AND THE OPPORTUNITY OF THIRD  
18      PARTIES TO COMMENT ON OUR APPLICATION?

19                      SO THAT'S THE SUM AND SUBSTANCE OF  
20      OUR COMMENTS AT THIS TIME.  I'D BE GLAD TO ANSWER  
21      ANY QUESTIONS THAT THE MEMBERS MIGHT HAVE.

22                      CHAIRMAN RELIS:  BEFORE WE DEAL WITH ANY  
23      QUESTIONS TO YOU, MR. LIVINGSTON, YOU'VE RAISED A  
24      QUESTION ABOUT THE AUTHORITY ISSUE.  NOW, I DIDN'T  
25      REALIZE WE'D BE IN THE TWO-STEP PROCESS AGAIN LIKE

1 WE HAVE BEEN WITH MANY OF OUR OTHER REGULATORY  
2 PACKAGES OF LATE. BUT LET'S --

3 MR. LIVINGSTON: MR. CHAIRMAN, IF I MIGHT  
4 CLARIFY THAT, MY QUESTION IS NOT ON THE BOARD'S  
5 AUTHORITY. THE BOARD HAS AUTHORITY TO ADOPT  
6 REGULATIONS TO IMPLEMENT THIS PROGRAM. I DON'T  
7 HAVE A QUESTION ABOUT THAT.

8 THE QUESTION IS WHETHER THE PROPOSED  
9 REGULATIONS ARE CONSISTENT WITH THE VARIANCE  
10 STATUTE. AND OUR POSITION IS, AND AS WE'VE SAID  
11 IN THE COMMENTS, THAT THEY ARE INCONSISTENT WITH  
12 THAT STATUTE. IT HAS NOTHING TO DO -- YOU KNOW,  
13 UNDER THE ADMINISTRATIVE PROCEDURE ACT, AUTHORITY  
14 AND CONSISTENCY --

15 CHAIRMAN RELIS: I KNOW YOU ARE AN EXPERT  
16 OF THIS, HAVING BEEN HEAD OF OAL.

17 MR. LIVINGSTON: WELL, FORGIVE ME FOR  
18 THAT.

19 CHAIRMAN RELIS: WE HAD SOME GREAT  
20 RULINGS FROM OAL.

21 MEMBER CHESBRO: IT'S HARD, BUT WE WILL.

22 MR. LIVINGSTON: THANK YOU. BUT THE  
23 AUTHORITY IS -- ISSUE IS WITH THE BOARD'S OVERALL  
24 AUTHORITY TO ADOPT REGULATIONS. THAT'S NOT IN  
25 QUESTION. BUT IF YOU ADOPT REGULATIONS, THE

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1       REGULATIONS HAVE TO BE CONSISTENT WITH THE STATUTE  
2       THAT THE REGULATIONS ARE DESIGNED TO IMPLEMENT,  
3       INTERPRET, AND MAKE SPECIFIC.  AND THAT'S WHERE  
4       OUR QUESTION IS RAISED.

5               CHAIRMAN RELIS:  SO I'D LIKE TO TURN IT  
6       OVER TO MS. BORZELLERI AND ASK FOR A RESPONSE TO  
7       THE CONSISTENCY QUESTION.

8               MS. BORZELLERI:  AS MR. LIVINGSTON DID  
9       POINT OUT, WE DO HAVE AUTHORITY TO ADOPT THESE  
10      REGULATIONS.  CONSISTENCY IS AN ISSUE.  I THINK  
11      BRINGING THIS COMMENT FORWARD DURING THE COMMENT  
12      PERIOD IS APPROPRIATE.  AND WE HAVE NOT HAD A  
13      CHANCE TO ANALYZE THE CONSISTENCY ISSUE.  WE'RE  
14      GOING TO HAVE TO LOOK AT SOME LEGISLATIVE HISTORY  
15      AND A FEW OTHER ITEMS AND DO OUR OWN STATUTORY  
16      ANALYSIS AROUND THE CONSISTENCY ISSUE.  AND WE  
17      WANT TO BE CAREFUL TO ADVISE THE BOARD  
18      APPROPRIATELY.  WE NEED SOME TIME TO DO THAT.

19              CHAIRMAN RELIS:  WHAT KIND OF TIME WERE  
20      YOU LOOKING AT?

21              MS. BORZELLERI:  WE WERE HOPING TO GET  
22      SOMETHING BACK FOR THE BOARD MEETING.

23              CHAIRMAN RELIS:  OKAY.  MR. CHESBRO.

24              MEMBER CHESBRO:  WELL, I JUST -- I WANTED

25

TO EXPRESS GENERAL FRUSTRATION IN ANY RESPONSE

71

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1        THAT YOU MIGHT WANT OR NOT WANT TO PROVIDE WITH  
2        THE FACT THAT WHEN WE WERE CONSIDERING WHETHER OR  
3        NOT TO DO REGULATIONS, AT THAT POINT I FELT A  
4        SIGNIFICANT AMOUNT OF AMBIVALENCE.  AND I RECALL  
5        MEMBERS OF THIS COMMITTEE EXPRESSING SOME  
6        AMBIVALENCE ABOUT WHICH WAS THE BETTER COURSE, AND  
7        THERE WERE A NUMBER OF REPRESENTATIVES OF  
8        DIFFERENT COMPANIES, INCLUDING IRONCLAD, IN THE  
9        AUDIENCE WHO EITHER SAID REGULATIONS WERE GOOD OR  
10       SAID THEY WOULDN'T OBJECT TO REGULATIONS.  AND WE  
11       ALSO EXPRESSED QUESTIONS ABOUT, WELL, WHAT HAPPENS  
12       IF OR IS THERE ANY CONCERN ABOUT GOING PAST  
13       JANUARY 1ST HERE IN TERMS OF THE REGULATORY  
14       PROCESS.  AND ONCE AGAIN, GOT A FAIRLY -- I DON'T  
15       REMEMBER THE DETAILS -- BUT A FAIRLY LOW-KEY  
16       RESPONSE.

17                        SO I JUST WANTED TO EXPRESS MY  
18       FRUSTRATION THAT HERE WE ARE THE LAST DAY OF THE  
19       COMMENT PERIOD WHEN THERE WAS PLENTY OF  
20       OPPORTUNITY TO INFLUENCE OUR DIRECTION AT THAT  
21       POINT ABOUT WHAT IT WAS WE WERE GOING TO DO AND  
22       THE TIMING AND WHETHER REGS WERE A GOOD IDEA OR  
23       NOT.  AND NOW WE'VE SPENT QUITE A BIT OF TIME ON  
24       REGULATIONS AND ARE HEARING THESE CONCERNS FAIRLY  
25       LATE IN THE PROCESS, AND THAT THAT'S SOMEWHAT

1       FRUSTRATING TO ME.

2                       I ACTUALLY -- AND I'LL KEEP MY MIND  
3       OPEN.  I'M NOT PLAYING MY HAND CLEARLY HERE, BUT I  
4       WAS MUCH MORE AMBIVALENT AT THAT POINT.  I MEAN  
5       SINCE THEN, I THINK IT'S BECOME -- THE ARGUMENT  
6       HAS BECOME STRONGER IN MY MIND THAT, FOR THE SAKE  
7       OF CONSISTENCY OVER TIME, SINCE THIS IS AN ONGOING  
8       PROCESS, THAT REGULATIONS MIGHT BE -- THAT WAS  
9       WHAT LED ME AT THE TIME TO DECIDE, WELL, MAYBE WE  
10      SHOULD GO WITH REGS.  AND THAT ARGUMENT HAS GROWN  
11      IN MY MIND, BUT I'M STILL OPEN TO HEARING, YOU  
12      KNOW, CERTAINLY INTERPRETATIONS OF WHAT THE  
13      STATUTE SAYS AND ALL OF THAT.  I JUST AM KIND OF  
14      FRUSTRATED WITH THE FACT THAT WE DIDN'T GET A  
15      CLEAR CONCERN ABOUT THESE ISSUES AT THE TIME THAT  
16      WE WERE DECIDING TO PROCEED WITH REGS.

17                   MEMBER PENNINGTON:  SO WE'RE LOOKING AT  
18      FURTHER REVIEW OF THE REGS AT THE BOARD MEETING?

19                   CHAIRMAN RELIS:  YES.  WE HAVE -- WE ALSO  
20      HAVE DARLENE RUIZ FROM FIRST BRANDS WHO WISHES TO  
21      SPEAK TO THIS AND THE NEXT ITEM.

22                   MEMBER CHESBRO:  WHILE SHE'S COMING UP,  
23      MAY I ALSO SAY, CONCERNING THE QUESTION OF WHETHER  
24      OR NOT WE'RE HEARING THE VARIANCE QUESTION AFTER

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25 THE FIRST OF THE YEAR, SUBSTANTIVE CHANGES TO

1       THESE REGULATIONS CERTAINLY INCREASE THAT  
2       POSSIBILITY BECAUSE IF WE COME TO THE BOARD  
3       MEETING AND THERE'S -- AND THE BOARD DECIDES THAT,  
4       WELL, WE NEED TO CHANGE THESE, THEN THAT'S GOING  
5       TO ADD DELAY TO THE PROCESS.

6               MEMBER PENNINGTON:   RIGHT.   AND WE NEED  
7       TO KNOW -- I'D LIKE TO KNOW, AT LEAST, WHAT  
8       IRONCLAD'S STATUS WOULD BE IF I WE GO PAST THE  
9       JANUARY 1 DEADLINE.   WE'VE EITHER GOT TO GET IT  
10      DONE NOW.   I MEAN WE EITHER HAVE TO DECIDE TO  
11      GRANT THE VARIANCE OR NOT NOW OR HOLD THEM  
12      HARMLESS IF WE GO INTO MARCH OR APRIL OR  
13      SOMETHING.   SO I'D LIKE STAFF TO TELL US WHAT  
14      THEIR THINKING IS ON THAT.

15             CHAIRMAN RELIS:   BUT NOT AT THIS MOMENT.

16             MEMBER PENNINGTON:   NO.

17             CHAIRMAN RELIS:   OKAY.

18             MS. RUIZ:   THANK YOU, MR. CHAIR AND  
19      MEMBERS OF THE COMMITTEE.   DARLENE RUIZ HERE  
20      REPRESENTING FIRST BRANDS CORPORATION.

21             AGAIN, WE ARE NOT TAKING A POSITION  
22      TODAY ON ANY PETITION THAT MAY BE CONSIDERED BY  
23      YOU IN THE FUTURE.   CERTAINLY NOT TAKING A  
24      POSITION ON THE IRONCLAD PETITION FOR VARIANCE.  
25      WE ARE HERE AGAIN, WE HOPE, IN A POSITIVE



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1       FRAMEWORK TO WORK WITH THE BOARD IN THE  
2       FORMULATION OF REGULATIONS. WE CONCUR THAT THERE  
3       IS A NEED FOR REGULATIONS HERE AND FEEL THAT THE  
4       BOARD HAS AMPLE AUTHORITY TO SO PROMULGATE.

5                       ON THE QUESTION AS TO WHETHER THE  
6       BOARD NEEDS TO NARROW ITS REGULATIONS, I WOULD ASK  
7       THE BOARD TO AGAIN REVIEW VERY CAREFULLY SECTION  
8       42298 OF THE PUBLIC RESOURCES CODE, WHICH IS THE  
9       VERY UNDERPINNINGS OF THE STATUTORY AUTHORITY  
10      INVOLVED HERE. AND BECAUSE I AM ONE WHO LOVES THE  
11      READ-ON RULE, I WILL QUOTE TO YOU THE PROVISIONS  
12      THAT I THINK ARE PERTINENT HERE.

13                     IN SECTION 42298, AS IT BECOMES  
14      OPERATIVE JANUARY 1, 1997, SUBSECTION (B)(2) SETS  
15      FORTH THE NEED FOR A PUBLIC HEARING, AND IT  
16      INDICATES IN THE SECOND SENTENCE, QUOTE, AT THE  
17      HEARING THE BOARD SHALL REVIEW AND ENTER INTO THE  
18      RECORD ANY EVIDENCE PRESENTED THAT RELATES TO THE  
19      VARIANCES, INCLUDING, BUT NOT LIMITED TO, ANY  
20      EVIDENCE THAT SHOWS THAT THE PETITIONER DOES OR  
21      DOES NOT MEET THE REQUIREMENTS OF THIS CHAPTER  
DUE  
22      TO TECHNOLOGICAL CONSIDERATIONS.

23                     I HAVE TO BELIEVE THE LEGISLATURE  
24      HAS A MEANING AND INTENT FOR THOSE KINDS OF  
WORDS.

25 INCLUDING BUT NOT LIMITED TO SIMPLY SETS A FLOOR

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1       AND DOES ALLOW THE BOARD IN ITS OTHER AUTHORITIES  
2       TO REVIEW AND REQUIRE OTHER INFORMATION.

3                       I FURTHER REFER THE BOARD IN THE  
4       FOLLOWING OR SUBSEQUENT PARAGRAPH, STARTING IN  
5       SUBSECTION (B)(3) OF THAT SAME SECTION, THAT IN  
6       THE SECOND PARAGRAPH IT REFERENCES THAT THE BOARD  
7       MAY IMPOSE CONDITIONS ON SUCH A VARIANCE THAT  
8       REQUIRE THE PETITIONER TO COMPLY WITH SOME OR ALL  
9       OF THE REQUIREMENTS OF THIS CHAPTER BASED UPON  
THE  
10      BOARD'S DETERMINATION OF THE ABILITY OF A  
11      PETITIONER TO COMPLY.

12                     SO, AGAIN, IT WOULD SUGGEST THAT  
THE  
13      LEGISLATURE IS ALLOWING YOU AND INDEED COMPELLING  
14      YOU TO MAKE CERTAIN THAT SUCH A VARIANCE IS  
15      CONSISTENT WITH YOUR GENERAL BROADER AUTHORITIES  
16      ON GOVERNING TRASH BAGS AND YOUR WASTE DIVERSION  
17      REQUIREMENTS AS WELL.

18                     MS. TRGOVCICH:   MR. CHAIRMAN, JUST TO  
19      HELP YOU FOLLOW ALONG, I BELIEVE THE SECTIONS  
THAT

20      MS. RUIZ IS REPEATING FROM CAN BE FOUND ON PAGE

21 OF YOUR PACKET. YOU CAN REFER TO THE STATUTE ON  
22 THAT PAGE.

23 MS. RUIZ: IF THERE ARE NO QUESTIONS AS  
24 TO WHAT WE SENSE IS WHAT THE BOARD IS RIGHTFULLY  
25 DOING HERE, AND WHILE WE APPRECIATE THAT THE

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1       SECTION I AM REVIEWING DOESN'T BECOME OPERATIVE  
2       UNTIL JANUARY 1, 1997, WE HOPE THAT YOU WOULD NOT  
3       TAKE THE TURN OF PROMULGATING REGULATIONS NOW AND  
4       THEN HAVING TO CREATE A WHOLE NEW PACKAGE AFTER  
5       JANUARY 1, WHICH IS, I THINK, THE ANTITHESIS OF  
6       WHAT YOU'RE ATTEMPTING TO ACHIEVE HERE IN  
7       STREAMLINING.

8                       IF THAT ADDRESSES THE QUESTION AS TO  
9       WHAT THE SCOPE OF THESE REGULATIONS SHOULD  
10      CONSIDER, I MUST SHARE WITH YOU THAT I DON'T ENVY  
11      YOUR BALANCING REQUIREMENTS. YES, YOU HAVE TO  
12      HOLD A PUBLIC HEARING. AND OBVIOUSLY THE  
13      LEGISLATURE FELT THAT THAT WAS IMPORTANT. THE  
14      CONFIDENTIALITY AND TRADE SECRETS PROVISIONS,  
15      WHICH YOU ARE ALSO GOVERNED BY, SUGGEST THAT YOU  
16      HAVE TO WEIGH THOSE INTERESTS AND CONCERNS AGAINST  
17      THE BROADER PUBLIC INTERESTS. AND IN SOME  
18      CIRCUMSTANCES WE BELIEVE THAT YOU ARE GOING TO  
19      HAVE TO TILT IN FAVOR OF THAT PUBLIC  
20      PARTICIPATION. AND INDEED IRONCLAD MAY HAVE TO  
21      TILT IN THE DIRECTION OF THAT PUBLIC  
22      PARTICIPATION.

23                      WE'RE NOT SUGGESTING THAT ALL AND  
24      EVERY PIECE OF INFORMATION THAT YOU MAY REQUIRE

25 UNDER THE REGULATIONS TO BE SUBMITTED WOULD BECOME

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1 PUBLIC RECORD, NOR DO I THINK THAT YOU HAVE TO  
2 MAKE IT SO. THE DETERMINATION, THOUGH, SHOULD BE  
3 MADE BY THE BOARD AS TO WHAT EVIDENCE IS NECESSARY  
4 IN ORDER TO PROMOTE FULL AND PUBLIC -- FULL AND  
5 OPEN PUBLIC MEETINGS.

6 AND THAT IS, WE CONCEDE, A TOUGH  
7 BALANCING ACT. AND WE LOOK FORWARD TO CONTINUING  
8 TO WORK WITH YOU AS YOU ATTEMPT TO ANALYZE THAT.  
9 BUT NOWHERE IN THE CURRENTLY PROPOSED REGULATIONS  
10 DO WE SEE THAT YOU ARE IN ANY WAY CONCEDED SUCH  
11 PRIVACY CONCERNS AT THIS STAGE.

12 AGAIN, WE SUBMITTED OUR COMMENTS  
13 YESTERDAY. I'M SORRY IF THERE WAS ANY DELAY IN  
14 THE STAFF'S RECEIPT OF THOSE. MY APOLOGIES TO  
15 STAFF IN THAT REGARD. BUT WE -- AGAIN, WE'RE  
16 JOINING IN THE COMMENTS OF TENNECO, WHO IS SEEKING  
17 IN SOME FASHION, WE THINK, TO BALANCE THOSE  
18 PRIVACY CONCERNS BY ASKING YOU TO SEEK THE  
19 NECESSARY SAMPLES AND TO BE ABLE TO CONDUCT  
20 INDEPENDENT THIRD-PARTY TESTS IN ORDER TO AVOID  
21 SOME OF THE CONCERNS THAT MAY ARISE SIMPLY BY  
22 VIRTUE OF TESTS AND OTHER EVIDENCE SUBMITTED  
23 SOLELY BY ANY PETITIONER IN THIS MATTER. SO WE  
24 JOIN IN THAT CONCERN.





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1       STATEMENT AND CONCERN WHICH WE RAISED IN THE  
2       EARLIER COMMENT PERIOD. WE GENUINELY BELIEVE THAT  
3       ANY SHOWING CONCERNING THE WASTE DIVERSION AND THE  
4       IMPACTS TO THE PCR MARKETS MUST BE TO CALIFORNIA  
5       PCR MARKETS. WE DON'T BELIEVE THAT THE STATUTE IN  
6       ANY WAY DIRECTS THE BOARD TO EXPAND ITS INTERESTS  
7       IN THE GENERAL PCR MARKET NATIONALLY.

8                       WITH THOSE COMMENTS, I AWAIT ANY  
9       QUESTIONS YOU MIGHT HAVE.

10                   CHAIRMAN RELIS: SEEMS THOROUGH AND TO  
11       THE POINT.

12                   MEMBER CHESBRO: I HAVE STAFF QUESTIONS.

13                   CHAIRMAN RELIS: STAFF. THANK YOU VERY  
14       MUCH.

15                   MEMBER CHESBRO: I'M NOT SURE WHO TO ASK  
16       THIS, SO I'LL LET YOU DECIDE WHERE TO AIM IT OR  
17       WHATEVER.

18                   DOES THE QUESTION OF WHAT  
CRITERIA

19       WE WIND UP ADOPTING IN REGULATIONS AFFECT WHAT  
20       WILL BE CONSIDERED CONFIDENTIAL OR NOT  
21       CONFIDENTIAL? I MEAN ISN'T THAT THE SAME  
22       REGARDLESS OF WHICH CRITERIA WE'RE  
ESTABLISHING?

23       I'M A LITTLE CONFUSED ABOUT MIXING THOSE  
ISSUES

24 UP.

25 MS. BORZELLERI: YES. I DON'T THINK

WE

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1       SHOULD MIX THOSE ISSUES. I THINK THE ISSUE OF  
2       CONFIDENTIALITY IS ONE THAT WE'RE WORKING ON,  
3       WE'RE DOING AN ANALYSIS OF. WE'RE GOING TO TRY TO  
4       FIGURE OUT HOW THE BOARD ACTUALLY COULD MAKE A  
5       DETERMINATION BY USING SOME CONFIDENTIAL  
6       INFORMATION.

7                       I THINK, EVEN AS IRONCLAD POINTS  
8       OUT, WE DO NARROW THE SCOPE OF WHAT WE LOOK AT TO  
9       TECHNOLOGICAL CONSIDERATIONS. I BELIEVE THERE  
10      WILL BE PROBABLY SOME IDEA THAT -- AND, IN FACT,  
11      THEY'VE ALREADY SUBMITTED SOME INFORMATION THAT  
12      THEY'RE CLAIMING IS CONFIDENTIAL. SO IT'S ALMOST  
13      LIKE -- IT'S ALMOST LIKE A CATCH 22. AND I THINK  
14      WE NEED TO COME UP WITH A WAY THAT THE BOARD CAN  
15      REVIEW THAT INFORMATION AND MAKE A DETERMINATION  
16      REASONABLY. AND I'D BEEN WORKING WITH STAFF ON  
17      THAT.

18                    MEMBER CHESBRO: THAT PROCESS OF DRAWING  
19      THAT LINE IS DISTINCT IRREGARDLESS OF WHAT WE  
20      DECIDE THE CRITERIA IS. THE LAW PROVIDES A  
21      CERTAIN --

22                    MS. BORZELLERI: YES. THE LAW DOES  
23      PROVIDE THAT WE'LL GET INFORMATION AND MAKE A  
24      DETERMINATION, AND IT DOESN'T TALK ABOUT THE  
25      CONFIDENTIALITY ISSUE. THAT'S A TOTALLY  
SEPARATE



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1       ISSUE.

2                   MEMBER CHESBRO:   I ALSO WANTED TO ASK  
3       JERRY TO -- MAYBE THERE'S SOMEONE HERE TO SPEAK  
4       FROM TENNECO, BUT WE HAVE THE LETTER -- RESPOND TO  
5       ISSUE THAT THEY HAD RAISED UNLESS THEY WANT TO --  
6       THERE'S SOMEONE HERE TO RAISE IT FIRST.  IF NOT,  
7       THEN JUST WHAT THEY RAISED.  HAVE YOU HAD A CHANCE  
8       TO ANALYZE THAT, OR WOULD YOU PREFER TO WAIT  
9       UNTIL --

10                  MR. HART:  I CAN ADDRESS IT IN REAL  
11       GENERAL TERMS.  WHAT THEY'D LIKE US TO DO IS TO  
12       ADD ANOTHER ITEM ONTO THE LIST OF EVIDENCE THAT WE  
13       ASK IRONCLAD TO SUBMIT TO US.  AND THAT ITEM WOULD  
14       ASK SOME VERY SPECIFIC EMPIRICAL DATA ABOUT THE  
15       PHYSICAL CHARACTERISTICS OF THE FILM, THE SPECIFIC  
16       RESULTS OF USING VARIOUS LEVELS OF POSTCONSUMER  
17       MATERIAL IN THEIR FILM, AND HOW THAT AFFECTS THEIR  
18       ABILITY TO ATTACH THIS STRAP TO THE FILM, ASTM  
19       TEST RESULTS FOR PHYSICAL STRENGTH CHARACTER-  
20       ISTICS.  SO BOTH -- WELL, OF A VARIETY OF BAGS  
21       ACTUALLY, BAGS CONTAINING VARIOUS LEVELS OF  
22       POSTCONSUMER MATERIAL AND VIRGIN BAGS.  SO  
TENNECO  
23       IS SUGGESTING THAT WE ADD AN ITEM TO THE

LIST OF

24 EVIDENCE WE'D REQUEST THAT WOULD CONTAIN  
SOME VERY

25 SPECIFIC TEST RESULT DATA.

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1                   MEMBER PENNINGTON: DOES THAT -- BE  
2 CAREFUL HOW I ASK THIS. DOES IT SOUND LIKE  
3 THEY'RE ASKING FOR MATERIAL THAT REALLY IS  
4 PROPRIETARY INFORMATION?

5                   MR. HART: I WOULD SAY ABSOLUTELY. IT  
6 ALSO, I THINK, IS INFORMATION THAT DIVERGES A  
7 LITTLE BIT FROM THE TACT WE'VE TAKEN IN  
8 IDENTIFYING AND CREATING THE OTHER ITEMS ON THE  
9 LIST OF EVIDENCE. WE SHY AWAY FROM EMPIRICAL TEST  
10 DATA. WE ARE MORE INTERESTED, I THINK, IN THE  
11 ABILITY OF IRONCLAD TO COMPLY WITH THE STATUTE AS  
12 OPPOSED TO TEST RESULTS OR TEST RESULTS THAT WOULD  
13 SHOW HOW DIFFICULT IT IS TO USE POSTCONSUMER  
14 MATERIAL IN THEIR BAG. I'M CONCERNED THAT THAT  
15 WOULD END UP AT A LOT OF HOURS OF CONFLICTING  
16 TESTIMONY THAT WOULD BE VERY, VERY DIFFICULT TO  
17 MAKE ANY DECISION ON.

18                  MEMBER CHESBRO: AGAIN, ALONG THE LINES  
19 OF THE QUESTION I ASKED PREVIOUSLY, I THINK THAT  
20 WE CAN DRAW THE CONFIDENTIALITY LINE. THE  
21 QUESTION IS WHETHER OR NOT THIS IS CRITERIA THAT  
22 IS NECESSARY OR USEFUL FOR US TO MAKE A  
23 DETERMINATION WITH. AND I WOULD SUGGEST THAT'S  
24 PROBABLY WHAT WE NEED TO EXAMINE IS WHETHER IT'S

A

25       GOOD THING TO INCLUDE OR NOT INCLUDE.   IF WE CAN



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1       INCLUDE IT AND, HOPEFULLY, WITH THE NEXT ITEM AND  
2       LEGAL'S HELP, FIND WAYS, WHATEVER CRITERIA WE  
3       ESTABLISH, TO PROTECT ANY INFORMATION THAT SHOULD  
4       BE PROPRIETARY.

5               MR. HART: I THINK THAT'S KIND OF WHY  
6       WE'RE PROPOSING IN THE NEXT AGENDA ITEM TO ONLY  
7       CONSIDER THE CONFIDENTIALITY ISSUE OF THE ANNUAL  
8       CERTIFICATIONS FROM IRONCLAD. IT MIGHT BE  
9       PREMATURE TO CONSIDER CONFIDENTIALITY ISSUES  
10      REGARDING INFORMATION THAT WE AREN'T SURE THAT  
11      WE'RE GOING TO ASK FOR YET. WE AREN'T SURE WHAT  
12      ROLE IT'S GOING TO PLAY IN THE BOARD MAKING THEIR  
13      DETERMINATION.

14             SO LET'S GET THE REGULATIONS IN  
15      PLACE WHICH SPECIFY THE INFORMATION AGAIN. WHEN  
16      WE GET THE INFORMATION, PRESUMING IRONCLAD IS  
17      GOING TO STAMP IT ALL CONFIDENTIAL, THEN WE'RE  
18      GOING TO HAVE TO COME BACK TO YOU ANYWAY AND SAY,  
19      "OKAY. WE'VE GOT THIS INFORMATION. IT'S CLAIMED  
20      CONFIDENTIAL. THAT KICKS IN THE BOARD'S  
21      REGULATIONS ON CONFIDENTIALITY," THAT WE COME BACK  
22      TO YOU AND SAY, "DO YOU AGREE OR DISAGREE?"

23             CHAIRMAN RELIS: OKAY. MAYBE WE CAN  
24      CONCLUDE THIS ITEM. ONE DIRECTION WOULD BE

25        OBVIOUSLY STAFF HAS HAD LIMITED TIME WITH A  
FAIR

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1       AMOUNT OF MATERIAL HEAPED UPON YOU RIGHT AT THE  
2       ELEVENTH HOUR.  SO I'M WONDERING, WE WOULD HAVE  
3       TIME BETWEEN NOW AND THE BOARD MEETING, AS I  
4       UNDERSTAND, TO HAVE LEGAL AND OTHER DEPARTMENTS GO  
5       THROUGH THIS AND GIVE US FURTHER CLARITY AND  
6       DIRECTION?

7               MS. BORZELLERI:  YES, FROM A LEGAL  
8       PERSPECTIVE, WE ANTICIPATE HAVING AN ANALYSIS.

9               MEMBER PENNINGTON:  I'D BE WILLING, MR.  
10      CHAIRMAN, TO MOVE THAT WE SEND THIS ON TO THE FULL  
11      BOARD WITHOUT A RECOMMENDATION SO THAT THE STAFF  
12      WILL HAVE TIME TO REVIEW WHAT MATERIAL HAS BEEN  
13      SUBMITTED.

14              I WOULD ALSO ASK THAT STAFF PROVIDE  
15      US WITH AN ESTIMATE OF WHEN THEY THINK THEY'LL BE  
16      ABLE TO HOLD A VARIANCE HEARING, AND ALSO THE  
17      QUESTION OF WHAT HAPPENS TO IRONCLAD IF WE DON'T  
18      HOLD THE HEARING UNTIL SOMETIME DOWN THE ROAD  
19      AFTER THE JANUARY 1ST DEADLINE.

20              MEMBER CHESBRO:  I'LL SECOND THE MOTION.  
21      I WOULD ASSUME THAT THAT QUESTION OF THE EFFECT ON  
22      IRONCLAD'S HEARING PROCESS WOULD BE WITH DIFFERENT  
23      SCENARIOS, IF THE BOARD ACTED THIS MONTH VERSUS IF  
24      THE BOARD DECIDED TO MAKE SUBSTANTIVE MODIFICATION

25        WHICH REQUIRED AN EXTENSION OF THE COMMENT PERIOD

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1       AND PUT US INTO ANOTHER MONTHLY CYCLE.

2               MEMBER PENNINGTON:   I'M CONCERNED ABOUT  
3       WHAT HAPPENS AFTER JANUARY 1.

4               MEMBER CHESBRO:   WHAT I'M SAYING, THOUGH,  
5       IS THAT WE ADOPTED -- MIGHT BE TWO DIFFERENT  
6       ANSWERS TO THAT.   IF WE ADOPT IT THIS MONTH, THAT  
7       MIGHT NOT BE AN ISSUE.   I DON'T KNOW.   IS IT  
8       POSSIBLE IF WE ADOPT IT THIS MONTH, THAT THE  
9       HEARING COULD BE NEXT MONTH?

10              MR. HART:   IF WE ADOPT THE LIST OF  
11       EVIDENCE AND CRITERIA AND REGS THIS MONTH.

12              MEMBER CHESBRO:   ARE WE TALKING ABOUT  
13       JANUARY EITHER WAY?

14              MR. HART:   I THINK WE'RE TALKING ABOUT AT  
15       LEAST JANUARY IN EITHER CASE.   THAT WOULD REQUIRE  
16       US TO -- IRONCLAD WOULD KNOW WHAT THEY NEED TO  
17       SUBMIT, BUT THEY'D HAVE TO PUT IT TOGETHER AND  
18       SUBMIT IT.   WE DO STILL HAVE A CONFIDENTIALITY  
19       ISSUE ON THAT INFORMATION.

20              MEMBER CHESBRO:   I WAS ASSUMING WHEN WE  
21       ACTED ON THESE REGS WOULD DETERMINE WHETHER WE  
22       WENT PAST JANUARY OR NOT.   THAT'S NOT THE CASE.

23              MEMBER PENNINGTON:   I THINK PROBABLY  
24       WE'RE NOT.

25              CHAIRMAN RELIS:   MOTION BY MR. PENNINGTON

1 TO REFER THIS ON TO THE BOARD WITHOUT  
2 RECOMMENDATION, AND WE WILL HAVE DIRECTION FROM  
3 STAFF ON THE POINTS MADE IN HIS MOTION. IT'S BEEN  
4 MOVED AND SECONDED.

5 WE'LL CALL THE ROLL.

6 THE SECRETARY: MEMBER CHESBRO.

7 MEMBER CHESBRO: AYE.

8 THE SECRETARY: MEMBER PENNINGTON.

9 MEMBER PENNINGTON: AYE.

10 THE SECRETARY: CHAIRMAN RELIS.

11 CHAIRMAN RELIS: AYE. OKAY. THAT BRINGS  
12 US TO OUR FINAL ITEM NO. 7.

13 MS. TRGOVCICH: THE FINAL ITEM IS VERY  
14 MUCH RELATED, FOLLOW-ON TO THE PRIOR ITEM. JERRY  
15 IS GOING TO PRESENT THIS ONE AS WELL.

16 I'D JUST LIKE TO POINT OUT, AND I  
17 THINK JERRY DIDN'T JUST ALLUDE TO IT, BUT STATED  
18 IT IN HIS COMMENTS TOWARDS THE END OF THIS LAST  
19 ITEM, THAT THERE WERE TWO ELEMENTS TO THIS  
20 CONFIDENTIALITY REQUEST. AND SO TO -- PLEASE

NOTE

21 THE DIFFERENCES BETWEEN THE REQUEST FOR  
22 CONFIDENTIALITY AROUND THE CERTIFICATIONS VERSUS  
23 THE LIST OF EVIDENCE. AND JERRY IS GOING TO  
24 DESCRIBE THAT FOR YOU.

25 MR. HART: AND MAYBE IT COULD BE BETTER

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1 DESCRIBED AS A THREE-PHASE PROCESS. IN THIS ITEM  
2 WE'RE ASKING COMMITTEE TO CONSIDER THE  
3 CONFIDENTIALITY OF THE INFORMATION CONTAINED IN  
4 THE ANNUAL CERTIFICATIONS SUBMITTED BY IRONCLAD  
5 FOR 1993, 1994, AND 1995.

6 WE'VE ALREADY RECEIVED A PUBLIC  
7 RECORDS REQUEST. SO NOW WE'RE COMING BACK TO YOU  
8 TO, YOU KNOW, MAKE THE DECISION FROM THE BOARD'S  
9 PERSPECTIVE WHETHER THEY AGREE OR DISAGREE

WHETHER

10 THIS INFORMATION IS CONFIDENTIAL.

11 WE ALSO HAVE IN OUR POSSESSION A  
12 COUPLE OF TEST RESULTS THAT IRONCLAD SUBMITTED  
ON

13 THEIR OWN INITIATIVE TO ASSIST THE BOARD IN  
MAKING

14 THEIR DECISION ON THE PETITION. WE ALSO HAVE  
15 PUBLIC RECORDS REQUEST FOR THAT INFORMATION.

16 HOWEVER, AGAIN, BECAUSE WE WOULD LIKE TO SEE  
THE

17 REGULATIONS ADOPTED WHICH SPECIFY THE  
INFORMATION

18 THAT THE BOARD IS GOING TO LOOK AT, WE WON'T  
KNOW

19 WHAT ROLE, IF ANY, THOSE TEST RESULTS WILL  
PLAY.



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20                               SO WE'RE SUGGESTING THAT WE GO  
AHEAD

21       AND MAKE A DECISION ON THE ANNUAL  
CERTIFICATIONS,

22       DELAY A DECISION ON THE TEST RESULTS UNTIL WE  
HAVE

23       REGULATIONS ADOPTED, THEN WE'LL KNOW WHAT  
ROLE,

24       AGAIN, IF ANY, THOSE TEST DATA WILL PLAY.

25                               THE THIRD PART OF THIS IS,  
AGAIN,

1       ONCE WE ADOPT THE LIST OF EVIDENCE WE REQUIRE  
2       IRONCLAD TO SUBMIT INFORMATION TO SATISFY THAT  
3       REQUEST, WE WILL AGAIN COME BACK TO YOU AT THAT  
4       TIME WITH A CONFIDENTIALITY ITEM REGARDING THAT  
5       INFORMATION.  AND AT THAT TIME WE'LL PUT THE TWO  
6       TEST RESULTS INTO THAT ITEM.

7                       SO FOR NOW WE'RE LOOKING STRICTLY AT  
8       THE ANNUAL CERTIFICATION INFORMATION, WHICH  
9       ESSENTIALLY HAS THREE TYPES OF INFORMATION THAT  
10      STAFF BELIEVES SHOULD BE PROTECTED AS  
11      CONFIDENTIAL.  TWO OF THOSE TYPES OF INFORMATION  
12      ARE SPECIFICALLY LISTED IN THE BOARD'S REGULATIONS  
13      REGARDING TYPES OF INFORMATION THAT SHOULD BE  
14      CONSIDERED CONFIDENTIAL; AND THAT IS, SUPPLIER  
15      LISTS AND CUSTOMER LISTS.  WE HAVE RESIN SUPPLIERS  
16      LISTED ON THE ANNUAL CERTIFICATIONS.  AND IN ONE  
17      CASE FOR THE FIRST YEAR, 1993 CERTIFICATIONS, WE  
18      ASKED FOR CUSTOMER LISTS.

19                      STAFF REALIZED THAT, YOU KNOW, THERE  
20      WASN'T GOING TO BE MUCH DONE WITH THAT  
21      INFORMATION.  WE'D BE BETTER OFF NOT HAVING IT.  
22      AND SO, THEREFORE, IN SUCCESSIVE CERTIFICATIONS,  
23      WE DROPPED THE REQUIREMENT TO SUBMIT CUSTOMER  
24      INFORMATION.  SO WE'VE GOT CUSTOMER LISTS, WE'VE

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25 GOT RESIN SUPPLIER INFORMATION. THE THIRD

1       CATEGORY OF INFORMATION WE'RE ASKING TO NOT  
2       RELEASE, CONSIDER CONFIDENTIAL, ARE SALES FIGURES.

3                       WE ASK IN THE VERY SECOND PORTION OF  
4       THE CERTIFICATION FORM TO CERTIFY TO THE BOARD  
5       THEIR SALES OF BAGS IN CALIFORNIA, SALES OF  
6       REGULATED BAGS IN CALIFORNIA, THE TONS OF MATERIAL  
7       THEY USE IN THOSE BAGS, AND DO THE MATH AND GET  
8       THE PERCENTAGE OF POSTCONSUMER MATERIAL USE.

9                       WE'RE ASKING TO PROTECT ALL OF THAT  
10      SALES FIGURES WITH THE EXCEPTION OF THE FINAL  
11      CALCULATION OF THE PERCENTAGE OF MATERIAL USE.  
12      THE PERCENTAGE ALONE WON'T TELL ANYBODY ANYTHING  
13      THAT MIGHT COME BACK AND HAUNT THEM.  AT THE SAME  
14      TIME WHAT COMPANIES AND THE PUBLIC AND  
15      ENVIRONMENTAL GROUPS ARE INTERESTED IN IS THAT  
16      PERCENTAGE OF POSTCONSUMER MATERIAL USE.

17                      SO STAFF SUGGESTS RELEASING THE  
18      PERCENTAGE OF USE, PROTECTING THE SALES FIGURES,  
19      WHICH IS A VERY COMMON THING TO DO WITH OTHER  
20      STATE PROGRAMS.  THE DEPARTMENT OF CONSERVATION  
21      PROTECTS IT.  OUR OWN LOAN STAFF PROTECTS SALES  
22      FIGURES.  IT'S A VERY COMMON INDUSTRY THING TO  
DO,  
23      AS WELL AS PROTECTING THE CUSTOMER AND CLIENT

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24        LISTS.

25                    CHAIRMAN RELIS:    NOW, WE HAD TWO  
REQUESTS

1 TO SPEAK. DO BOTH PARTIES, IRONCLAD, AND. YES.  
2 GO AHEAD.

3 MS. RUIZ: THANK YOU. AGAIN, DARLENE  
4 RUIZ HERE FOR FIRST BRANDS.

5 ON THIS SPECIFIC ISSUE, AND I HAVE  
6 SPOKEN BRIEFLY TO MS. BORZELLERI THAT IRONCLAD --  
7 NOT IRONCLAD -- FIRST BRANDS WOULD LIKE TO MODIFY  
8 ITS REQUEST AND WILL DO SO IN WRITING. WE AGREE  
9 WITH THE DETERMINATION BY STAFF AND THE NEED FOR  
10 PROTECTION OF THE CUSTOMER LIST CERTAINLY AND IN  
11 THE PROTECTION OF SUPPLIER LISTS WITH SOME  
12 MODIFICATION.

13 ONE PROPOSAL WE HAVE FOR PERHAPS  
14 BALANCING THESE CONCERNS AND STILL GETTING THE  
15 INFORMATION WHICH WE ARE SEEKING IS TO LOOK TO THE  
16 FORM ITSELF, AND IN THE FORMS THAT WE HAVE  
17 REQUESTED, SEEK TO OBTAIN THE INFORMATION IN, SAY,  
18 LINES 1 THROUGH 10(A) SPECIFICALLY.

19 CHAIRMAN RELIS: YOU ARE REFERRING TO THE  
20 FORM, PAGE 56?

21 MS. RUIZ: YES. THAT SIMPLY PROVIDES THE  
22 INFORMATION ON WHO IS THE MANUFACTURER INFORMATION  
23 ITSELF. LINE 16, WHICH IS, AS THE STAFF  
24 INDICATED, THE PERCENTAGE, THERE'S NO WAY TO WORK  
25 BACK JUST FROM THE FLAT PERCENTAGE TO ANY TRADE

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1 SECRET INFORMATION.

2 LINE 17(A), 20(A), 21(A), 22,  
23(A),

3 AND THEN AS YOU GO THROUGH, THE NUMBERS REMAIN  
THE

4 SAME, BUT SIMPLY THE REFERENCE TO THE SUBSECTION  
5 CHANGE FROM B TO C TO D. SO AGAIN, 17(B), 20(B),  
6 21(B), 22, 23(B), ETC., THROUGH THE END OF THE  
7 LIST. AND ON MY FORM THAT WOULD BE UNDER SECTION  
8 C.

9 THEN MOVING TO THE LINES 27(A) --

10 MS. TRGOVCICH: JERRY, IF I COULD  
11 INTERRUPT FOR A MOMENT. WOULD IT BE POSSIBLE --  
I

12 DON'T KNOW, JERRY, IF YOU -- I SEE THAT SMILE ON  
13 YOUR FACE. YOU FEEL LIKE YOU CAN MAYBE REFER THE  
14 MEMBERS TO A PARTICULAR PAGE SINCE WE HAVE  
15 MULTIPLE-YEAR FORMS IN FRONT OF US TO KNOW WHICH  
16 YEAR WE'RE LOOKING AT SINCE THE LINE NUMBERS  
17 CHANGE FROM '93 TO '94.

18 MR. HART: YEAH. ACTUALLY THOSE PAGE  
19 NUMBERS AREN'T THE BEST BECAUSE THAT IS THE '93  
20 CERT FORM. WE PROBABLY SHOULD START WITH PAGE  
64.

21                   MEMBER CHESBRO:   CAN WE JUST FOCUS IN ON  
22   THE ONES THAT ARE DIFFERENT FROM WHAT STAFF IS  
23   RECOMMENDING?

24                   MS. RUIZ:   THE FOCUS, AS WE SEE IT,  
WOULD

25   BE THAT IN THE SUPPLIER SECTION OR IN THE '93



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1 FORM, SECTION F ON RECYCLED POSTCONSUMER MATERIAL  
2 INFORMATION --

3 CHAIRMAN RELIS: PAGE NUMBER, PLEASE.

4 MS. RUIZ: I DON'T HAVE YOUR ITEM.

5 MR. HART: 66.

6 MS. TRGOVCICH: IS THERE A DIFFERENCE  
7 BETWEEN THE '93 FORM VERSUS --

8 MR. HART: YEAH, THERE IS, BUT ON THE  
9 CERTIFICATION FORMS ARE LIST -- ARE NUMBERED IN  
10 THE PACKET. SO THAT IF YOU ARE LOOKING AT 66 IN  
11 THE PACKET, YOU'RE ON THE '95 CERT FORM.

12 MS. TRGOVCICH: MS. RUIZ, WERE YOUR  
13 INFORMATION PERTAINING GENERICALLY ACROSS ANY OF  
14 THE FORMS IN TERMS OF WHAT YOU'RE LOOKING FOR?

15 MS. RUIZ: YES. WHAT I WILL DO IS IN MY  
16 SPECIFIC REQUEST, I WILL BREAK IT DOWN INTO THE  
17 SECTIONS OF THE '95 FORM, THE FORM THAT WAS FILED  
18 EFFECTIVE -- AFFECTING THE JANUARY 1 THROUGH  
19 DECEMBER 31, '95, AND ANY COMPARABLE PRECEDING  
20 YEARS.

21 CHAIRMAN RELIS: SO YOU'RE GOING TO  
22 PROVIDE THAT?

23 MS. RUIZ: RIGHT, IN WRITING.

24 AND WHAT WE ARE ASKING FOR IN THE  
25 SECTION DEALING WITH RECYCLED -- SECTION D,

1 RECYCLED POSTCONSUMER MATERIAL INFORMATION, AGAIN,  
2 WISHING TO RESPECT THE INTERESTS OF THE SUPPLIERS  
3 THERE, WE WOULD REQUEST THAT THE INFORMATION AS TO  
4 THE STATE OF ORIGIN BE PROVIDED.

5 CHAIRMAN RELIS: YOU MEAN THE IN STATE OR  
6 OUT OF STATE? IS THAT WHAT YOU MEAN?

7 MS. RUIZ: THAT WOULD BE AN ALTERNATIVE  
8 THAT WE DISCUSSED WITH THAT STAFF. YES, A TOTAL  
9 NUMBER AND HOW MANY ARE IN STATE AND HOW MANY ARE  
10 OUT OF STATE COULD BE REFLECTED, WHICH, AGAIN, WE  
11 BELIEVE DOESN'T DIVULGE ANY INFORMATION CONCERNING  
12 THOSE SUPPLIERS AS WELL AS THE SOURCES OF THE  
13 APPROXIMATE PRIOR USAGE OF THE PLASTIC  
14 POSTCONSUMER MATERIAL, WHICH IS DESCRIBED IN THAT  
15 FORM 56(C), WHICH TELLS YOU WHAT THE ORIGINAL  
16 SOURCE OF THAT PCR WAS.

17 AND WE WOULD ALSO ASK FOR SECTION  
18 E -- THAT WAS IN SECTION E. AND SECTION H,  
19 OBVIOUSLY, THE CERTIFICATION PAGE, WHICH, AGAIN,  
20 WE DON'T BELIEVE VIOLATES ANY TRADE SECRETS.

21 CHAIRMAN RELIS: AND WHY DO YOU WANT THAT  
22 INFORMATION?

23 MS. RUIZ: WELL, AGAIN, WE'RE PUTTING  
24 TOGETHER SOME RESEARCH INFORMATION ON LARGER  
25 ISSUES THAT WE BELIEVE ADDRESS RECYCLING. AND SO

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1 WE WOULD LIKE TO BE ABLE TO PUT THAT INFORMATION  
2 TOGETHER.

3 CHAIRMAN RELIS: COULD YOU ELABORATE JUST  
4 A BIT ON LARGER ISSUES?

5 MS. RUIZ: WE ARE CURIOUS TO FIND OUT THE  
6 AMOUNT, QUITE FRANKLY. WE CAN'T DO IT FROM THESE  
7 FORMS DIRECTLY, BUT IT WILL CERTAINLY GIVE US AN  
8 INDICATION ON HOW MUCH IS BEING GENERATED OUT OF  
9 CALIFORNIA.

10 CHAIRMAN RELIS: ANY QUESTIONS?

11 MR. LIVINGSTON: MR. CHAIRMAN, PERHAPS I  
12 SHOULD RESPOND IN HERE. GENE LIVINGSTON AGAIN.  
13 WHAT I'D LIKE TO SUGGEST IS THAT FIRST BRANDS HAS  
14 INDICATED THAT IT'S GOING TO BE REVISING ITS  
15 PUBLIC RECORDS ACT REQUEST. IT SEEMS TO ME THAT  
16 THAT STARTS OVER. WITH RESPECT TO THE REQUEST  
17 THAT NOW STAFF HAS MADE A RECOMMENDATION TO YOU  
18 TO  
19 TREAT CONFIDENTIAL THE SALES INFORMATION, CLIENT  
20 LIST, AND THE SUPPLIERS LIST, AND I WOULD URGE  
21 YOU  
22 TO GO AHEAD AND RATIFY THAT RECOMMENDATION AND  
23 NOT  
24 ADDRESS THE ATTEMPT TO AMEND THAT REQUEST HERE AT

22        THIS MEETING, BUT BASICALLY START THE PROCESS  
ANEW

23        WHENEVER YOU RECEIVE THAT PUBLIC RECORDS ACT. IT

24        WAS AWFULLY HARD FOR ME TO FOLLOW HOW IT WAS  
BEING

25        AMENDED.

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1                   CHAIRMAN RELIS:    OKAY.    WHAT'S THE  
2    PLEASURE OF THE COMMITTEE?

3                   MS. RUIZ:    EXCUSE ME.    IF IT ASSISTS THE  
4    BOARD, THAT --

5                   CHAIRMAN RELIS:   EXCUSE ME, MS. RUIZ.  
6    WOULD YOU IDENTIFY YOURSELF AGAIN?

7                   MS. RUIZ:    DARLENE RUIZ ON BEHALF OF  
8    FIRST BRANDS.

9                   AGAIN, I CONCUR WITH COUNSEL.   IF  
10   THAT WILL PROVIDE US THE ORIGINAL INFORMATION THAT  
11   STAFF IS RECOMMENDING, WE WOULD BE HAPPY TO  
12   RECEIVE THAT INFORMATION AND THEN FURTHER AMEND  
13   OUR REQUEST IN GREATER SPECIFICITY TO SEE IF WE  
14   COULD OBTAIN FURTHER.

15                  MEMBER PENNINGTON:   I'LL MOVE THE STAFF  
16   RECOMMENDATION.

17                  THE REPORTER:   EXCUSE ME.   I COULDN'T  
18   HEAR THE LAST SENTENCE THAT YOU SAID.   I'M SORRY.

19                  MEMBER PENNINGTON:   IT'S PROBABLY BEST  
20   YOU DIDN'T.

21                  CHAIRMAN RELIS:    COULD WE REFERENCE  
22   SPECIFICALLY, MR. PENNINGTON, THE STAFF  
23   RECOMMENDATION --

24                  MEMBER PENNINGTON:   YES.

25                  CHAIRMAN RELIS:    -- ON PAGE 7 OF THE

1 AGENDA ITEM?

2 MEMBER PENNINGTON: YES.

3 MS. BORZELLERI: MR. CHAIRMAN, I HAVE AN  
4 ISSUE. IT WASN'T CLEAR WHEN MS. RUIZ BROUGHT THIS  
5 INFORMATION FORWARD. I BELIEVE SHE'S ASKING FOR  
6 SOME INFORMATION THAT IS OUTSIDE -- IT'S WITHIN  
7 THE SCOPE OF WHAT YOU WOULD BE ADOPTING UNDER  
8 STAFF'S REQUEST. SO IT MIGHT MAKE THINGS A LITTLE  
9 MORE CONFUSING IF YOU ADOPT IT, AND THEN --

10 I MEAN YOU COULD GO TWO WAYS. YOU  
11 COULD ADOPT IT NOW AND THEN DECIDE LATER THAT YOU  
12 ARE GOING TO DECIDE CERTAIN PIECES OF THAT ARE NOT  
13 CONFIDENTIAL. OR YOU COULD DELAY BRINGING THIS  
14 FORWARD NOW AND JUST WAIT UNTIL WE GET THE OTHER  
15 REQUEST. HOWEVER, SHE DOES WANT CERTAIN  
16 INFORMATION, SO I THINK WE NEED SOME TIME TO  
17 ANALYZE THIS BEFORE WE GO FORWARD WITH --

18 CHAIRMAN RELIS: SO ARE YOU  
RECOMMENDING

19 FROM LEGAL THAT WE NOT ACT TODAY GIVEN THE  
20 TESTIMONY?

21 MS. BORZELLERI: I THINK WHAT WE COULD  
22 POSSIBLY DO IS GET CLARIFICATION ABOUT WHAT MS.  
23 RUIZ WANTS AND MAKE SURE THAT WHAT WE WOULD BE

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24        GIVING HER NOW IS NOT SOMETHING THAT IS A  
PROBLEM

25        CONFIDENTIALITY-WISE LATER.

1                   SEE, ONCE WE GIVE THE INFORMATION  
IF  
2           SOMEONE --  
3                   CHAIRMAN RELIS:    I SEE.  
4                   MS. BORZELLERI:   AND I THINK WE'RE JUST  
5           ENOUGH CONFUSED ABOUT WHAT THE ACTUAL  
INFORMATION  
6           IS THAT WHAT WE MAY WANT TO DO IS PUT THIS  
FORWARD  
7           TO THE BOARD, MAYBE PULL IT AT THAT TIME ONCE WE  
8           FIGURE OUT WHAT SHE'S ACTUALLY ASKING FOR.  
9                   MEMBER PENNINGTON:  WELL, I WOULD SAY  
WE  
10          MOVE THE STAFF RECOMMENDATION.  AND IF AT THAT  
11          TIME THE -- THEIR PETITION IS ACCEPTABLE TO US,  
WE  
12          CAN PULL IT OFF THE BOARD MEETING AND ALTER IT.  
13                   MS. TRGOVCICH:  WE CAN CERTAINLY --  
14                   MEMBER PENNINGTON:  WE NEED TO MOVE  
15          FORWARD ON THIS.  SO I'D RATHER MOVE FORWARD ON  
16          IT.  
17                   CHAIRMAN RELIS:  SO YOU ARE SAYING IF -  
-  
18          MOVE FORWARD; BUT IF IT IS --  
19                   MEMBER PENNINGTON:  THE BOARD IS THE  
20          FINAL VOTE ON IT.  SO IF BY THE TIME WE GET TO



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THE

21 BOARD MEETING, MS. RUIZ' REQUEST IS A VALID

22 REQUEST, THEN --

23 CHAIRMAN RELIS: WOULD THIS PRESENT ANY

24 PROBLEMS IF WE CHOOSE TO GO THAT DIRECTION?

25 MS. BORZELLERI: I DON'T THINK SO. THE

1 BOARD IS, AS YOU SAID, THE FINAL DETERMINATION.  
2 WE WON'T BE GIVING OUT THE INFORMATION UNTIL THE  
3 BOARD MAKES ITS DECISION, SO WE CAN COME BACK WITH  
4 MORE INFORMATION AT THAT TIME.

5 MS. TRGOVCICH: JUST TO CLARIFY FOR  
6 MEMBERS. I THINK WHAT OUR CONCERN IS HERE IS THAT  
7 THE STAFF RECOMMENDATION IS TO HOLD, AND WE HAVE  
8 LISTED THE THREE ITEMS THAT WE ARE RECOMMENDING  
9 THAT THE BOARD RETAIN AS CONFIDENTIAL. IT MAY BE,  
10 IF YOU MAKE THAT DETERMINATION, THAT MS. RUIZ  
11 REPRESENTING FIRST BRANDS WILL COME BACK IN WITH A  
12 SUBSEQUENT AMENDED PUBLIC RECORDS ACT REQUEST THAT  
13 MAY REQUEST INFORMATION THAT YOU TODAY OR AT THE  
14 BOARD MEETING WOULD HAVE ALREADY DETERMINED TO BE  
15 CONFIDENTIAL. I THINK THAT IS OUR CONCERN.

16 MEMBER PENNINGTON: IF IN THE TIME  
17 BETWEEN NOW AND THE BOARD MEETING HER REQUEST IS  
18 SUCH THAT THE STAFF AND LEGAL RECOMMENDS THAT WE  
19 GO AHEAD AND RELEASE IT, THEN WE CAN CHANGE THAT  
20 AT THE BOARD MEETING. BUT THIS WAY WE'RE ON A  
21 PATH AND WE STICK WITH THAT. AND IF THERE IS  
22 SOMETHING THAT NEEDS TO BE CHANGED, THEN WE CAN  
DO  
23 THAT.

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24                    MEMBER CHESBRO:    I 'LL SECOND.

25                    CHAIRMAN RELIS:    OKAY.    SO THE STAFF

1 RECOMMENDATION AS PRESENTED ON PAGE 7 OF THE  
2 AGENDA ITEM. IS THAT --

3 MEMBER PENNINGTON: PAGE 3 --

4 CHAIRMAN RELIS: PAGE 3.

5 MEMBER PENNINGTON: -- OF THE STAFF  
6 RECOMMENDATION, PROCEEDING WITH OPTIONS 1 AND 2  
7 AND 5 AND PROTECT AS CONFIDENTIAL THE FOLLOWING  
8 INFORMATION: SECTION B OF EACH OF IRONCLAD'S  
9 TRASH BAG MANUFACTURERS CERTIFICATION WITH THE  
10 EXCEPTION OF THE PERCENTAGE OF RPPCM USED LISTED  
11 ON LINE 25 OF THE '93, LINE 16 OF THE '94, AND  
12 LINE 16 IN THE '95 CERTIFICATION; TWO, THE  
13 CUSTOMER LIST CONTAINED IN SECTION C OF IRONCLAD'S  
14 '92 TRASH BAG MANUFACTURING CERTIFICATION; AND,  
15 THREE, THE RPPCM SUPPLIERS LIST CONTAINED IN  
16 SECTION E OF IRONCLAD'S '94; SECTION F OF  
17 IRONCLAD'S '95, AND TRASH BAG MANUFACTURERS  
18 CERTIFICATION.

19 CHAIRMAN RELIS: WELL, THERE'D BE NO  
20 AMBIGUITY IN THAT.

21 MEMBER CHESBRO: THAT'S THE VERBATIM  
22 STAFF RECOMMENDATION.

23 CHAIRMAN RELIS: THAT'S BEEN MOVED AND  
24 SECONDED. WE'LL CALL THE ROLL.

25 THE SECRETARY: MEMBER CHESBRO.

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1 MEMBER CHESBRO: AYE.

2 THE SECRETARY: MEMBER PENNINGTON.

3 MEMBER PENNINGTON: AYE.

4 THE SECRETARY: CHAIRMAN RELIS.

5 CHAIRMAN RELIS: AYE. AND THAT WILL BE  
6 OBVIOUSLY TAKEN UP AT THE FULL BOARD MEETING, SO  
7 NOT CONSENT.

8 THAT COMPLETES OUR MARKETS AGENDA  
9 FOR TODAY. DOES ANYONE FROM THE AUDIENCE WISH TO  
10 ADDRESS THE BOARD BEFORE WE ADJOURN? WE ARE  
11 ADJOURNED.

12

13 (END OF PROCEEDINGS AT 11:55 A.M.)

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